

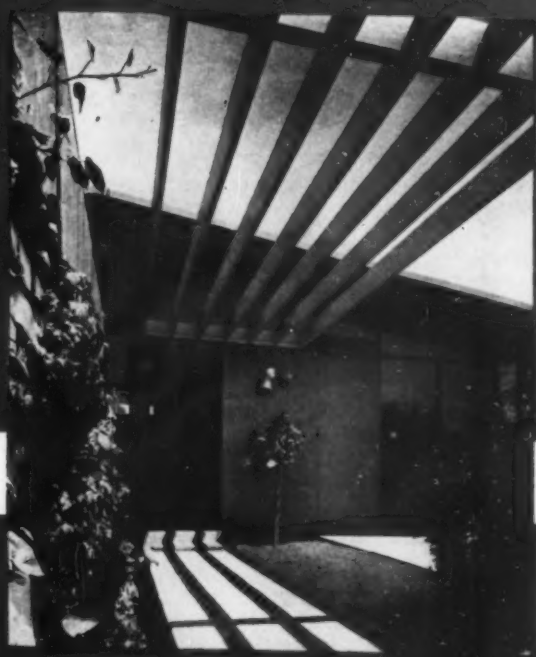
NATIONAL  
**REAL ESTATE**  
and **BUILDING**  
JOURNAL

UNIVERSITY  
OF MICHIGAN

FEB 22 1952

BUSINESS ADMINISTRATION  
LIBRARY

**FEBRUARY** ★ 1952



DEMONSTRATION HOUSE WITH SALES PUNCH — see page 16

If it's not **FORMICA**  
it's not a *Vanitory*

and . . . if it's not a Vanitory, it's missing the appeal that only the unique combination of color, beauty, ruggedness, and ease of cleaning genuine Beauty Bonded Formica brings to the American bathroom.

Architects and builders find ready acceptance of their specification for this material — so well known and trusted by millions of homemakers everywhere.

Beauty Bonded

**FORMICA**

MADE IN U.S.A.  
Guaranteed by  
Good Housekeeping

at Home with People  
at Work in Industry

See Sweets  $\frac{14A}{10}$  for Formica information or write

FORMICA - 4559 Spring Grove Ave.,

Cincinnati 32, Ohio

In Canada—Arnold Banfield & Co., Ltd., Oakville, Ontario

Richard P. Stahl, Architect;  
Formica fabricator; Grace Cabinet Shop,  
Springfield, Mo.



**CUSTOMERS DON'T BUY  
HOUSES BECAUSE OF  
"TRIPLE-SEALED  
DOVE-TAILED  
SMACK JOINTS"!**



**They Look for Quality in Things They Know! Use**

***American Kitchens***

**to Prove Top Quality Construction Throughout.**

Most customers have no way of judging the quality of internal construction.

They judge a house in terms of things they know . . . and they *know* a good kitchen from a cheap one! An American Kitchen spells high-quality . . . easily recognized . . . and prospects use it as a sort of measuring stick to judge the quality of the hidden construction as well.

It pays to feature American Kitchens. They are more economical because they give you more sales return per dollar, sell houses faster than any other brand.

On your next project . . . feature American Kitchens. Mail coupon today!

AMERICAN KITCHENS  
DIVISION



CONNERSVILLE,  
INDIANA



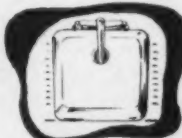
Rounded drawers—no corners or cracks to catch dirt, glide on noiseless slides.



Concealed door and drawer pulls eliminate dirt-catching handles.



Extended counter tops—extra knee and toe room for easier working.



Larger sink bowls—average 2" larger front to back, no dirt-catching ledge!



***American*  
KITCHENS**

**SELL HOMES FASTER**

The high quality of American Kitchens is proof of the quality of the hidden materials all through the house.

**Free to Builders—MAIL TODAY**  
American Kitchens Division, Dept. NR-1  
AVCO Manufacturing Corp.,  
Connerville, Ind.  
Please have my distributor send  
me your new Architects' and  
Builders' File.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

## From Journal readers...

"Congratulations on the fine job you and your associates are doing in the publication of the JOURNAL."

V. P. BRADLEY  
Trenton, New Jersey

"I think that your magazine is doing a good news job as well as carrying many constructive articles for builders and Realtors."

JOSEPH W. LUND  
Boston, Massachusetts

"I look forward to receiving all issues of the JOURNAL and have a complete file of them since I started as a regular subscriber. Continue the good work."

W. S. SHANNON  
Clearwater, Florida

"I am a real estate major at the University of Wisconsin. Your magazine is a joy to read and has made an impression upon me. I am enclosing a \$10 money order to cover a three-year subscription."

HERBERT C. MALZAHN  
Milwaukee, Wisconsin

"May I add my small voice to the many in complimenting you on publishing the finest trade journal I have ever read."

WARREN L. BAILEY  
Pikesville, Maryland

"I have just read the December JOURNAL and I think it is very good. In fact, it is my reaction that more Realtors throughout the country prefer such grass roots material covering subjects of everyday importance."

J. E. HOLLENBECK  
West Palm Beach, Florida

"We enjoy reading your publication each month and wish to congratulate you on the splendid accomplishment and progress which the JOURNAL has made during the past several years."

H. JACKSON PONTIUS  
Los Angeles, California

"The reading of your magazine is a must for each member of our staff. I read it first and mark those parts that are particularly timely for us. You are doing a fine job. Any member of the real estate and building industry who does not subscribe to the JOURNAL is missing a bargain."

DON STEPHENS  
Sacramento, California

"I like your magazine very much and enjoy your excellent articles on various important phases of the real estate and building business. Your magazine is a bargain and I don't see why any Realtor would be without it."

R. H. BAER  
Spartanburg, South Carolina

**MODEL R-520**

**complete kitchen in 27 1/2"**

Complete 48" Kitchen-With-Oven

**L & K 48" KITCHEN...** For the first time here's a 48" kitchen complete with oven—made possible by combining any 20" apartment range with General's L & K Kitchen, Model S-550. Has 4 cu. ft. refrigerator, storage drawer, and features a one-piece 12 x 16 inch porcelain sink-back splash-drainboard. 5 yr. guarantee.

**MODEL S-550**

**cook ON YOUR REFRIGERATOR**

**GAS-ELECTRIC GENERAL CHEF.** Combines electric refrigeration with cooking top, gas or electric (110 or 220 v.) Requires only 4.1 sq. ft. of space. 5 year guarantee.

Distributors - Dealers - Builders - write:

**L & K 27 1/2" KITCHEN...** Complete 27 1/2" kitchen unit combines 4 cu. ft. refrigerator, sink, drainboard, storage drawer, and 3-burner gas range adjustable to natural, manufactured, or bottled (LP) gases. Model R-520 also available with 3 electric burners for 220 v., or 2 electric burners for 110 v. "plug-in" use. 5 year guarantee.

These units  
advertised  
in

**LIFE**



**GENERAL**  
air conditioning corp.

4534-C E. Dunham St., Los Angeles 23, Calif.  
NATIONWIDE SALES AND SERVICE

# NATIONAL REAL ESTATE and BUILDING JOURNAL

FEBRUARY

1952

VOLUME 53

NUMBER 2

## CONTENTS

From Journal Readers .....	8
Editorial .....	15
Demonstration House With Sales Punch .....	16
How to Increase Land Value By Sol Gilbert .....	18
Face Up to the B'ar .....	21
Wanted: Angels for Elephants .....	22
Ingenuity . . . Builders Solution to Obstacle-Beset Year By Bob Fawcett .....	24
Trade Secrets . . . Plus By Roger Lakey .....	26
'Round Convention Halls .....	28
NAHB Elects New Officers for '52 .....	29
Builders Show Unusual Interest in Prefabs .....	29
Alan Brockbank .....	30
Your 1951 Tax Return By Bert V. Tornborgh .....	32
Put Your Signs to Work .....	33
Loft Management Can Be Profitable By Herbert F. Finney .....	34
The Law Says By George F. Anderson .....	36
Product Progress .....	38
Among Ourselves .....	42

● Cover photo by ROBERT C. CLEVELAND  
from PERFECT HOME Magazine

Published monthly for real estate builders, property managers, and real estate brokers, by Stamats Publishing Company. Publication Office and Headquarters, 427 Sixth Ave., S.E., Cedar Rapids, Iowa.

Subscription prices: \$4 a year, \$7 two years, \$10 three years in the United States. In Canada, \$5 a year; in all other countries, \$6.50 a year. Single copies 50 cents; back issues except Roster issue \$1.

## Industry Spotlight

WASHINGTON, D. C. — The government doesn't plan to use a quota system to limit the number of new homes that can be built this year, but tighter restrictions are coming out of the nation's capitol about what can be built.

The latest Washington edict prevents building of single-family homes with more than 1½ baths, curtails construction of beach cottages and other "seasonal or temporary" buildings, and reduces the amount of materials home-owners may use in alterations.

Government officials have hinted at a square foot limitation, guesses being that building of homes of more than 1500 square feet would be curtailed. But word is now that smaller allotments of carbon steel and copper building materials will hold down the size of 1952 homes.

Builders of houses with steel pipe plumbing systems will be allowed up to 1,700 pounds of steel, 30 pounds of copper products on self-certification. They have been allowed 1,800 pounds of steel, 35 of copper.

Copper for houses with copper plumbing systems has been cut from 160 to 130 pounds.

\* \* \*

President Truman hinted in his \$85-billion budget message that the defense program is expected to extend to 1955, rather than to the earlier date of 1953. On that basis, demand for defense materials should be slower than expected. That brings up the possibility that non-defense industries may get larger quantities of critical materials than had been slated for them.

\* \* \*

A new bill has been introduced in Congress — HR 5893. It would increase by \$125 million the VA's authority to make direct loans to veterans for housing in areas where satisfactory private financing can't be obtained. Already approved by the House Veterans Subcommittee, the bill must yet be voted on in the House.

\* \* \*

What's going to happen to real estate prices? They're currently on the upswing and they may go even higher during the rest of the year. There are two basic reasons: 1) Real property prices usually adjust quickly to major changes in the purchasing power of the dollar, and 2) returns for real property investments are often higher than can be gotten from stock and other types of investments. Add that to a cut in new home construction which should push the price of existing homes up.

\* \* \*

Expenditures for new construction hit nearly \$30 billion in 1951, a 7% increase over 1950. Increase is due to larger public out-lays for military construction, defense plants, and schools. But this is purely a dollar increase — physical volume remained about the same as in 1950. Higher construction costs boosted the dollar outlay.

\* \* \*

If Congress meets President Truman's request for a \$300-million outlay for public housing in the next fiscal year, it will be a shot in the arm for socialized housers. That amount would be added to the \$25 million authorized but not yet appropriated in the current fiscal year for "temporary" facilities.

# RUSCO HOT-DIPPED GALVANIZED PRIME WINDOW

enables you to provide quality at a saving!

Complete, pre-assembled unit makes substantial savings in installation time, labor and maintenance



TYPICAL VIEW OF FURNACE BROOK ACRES HOMES, QUINCY, MASS.

Rusco Prime Windows with insulating sash are being used exclusively on the 100 fine Colonial and Ranch Style homes in Furnace Brook Acres. Purchasers will enjoy homes that are warmer in winter, cooler in summer—never have screens or storm windows to change.

*"I find that my construction cost has lowered a great deal"*

All across the nation, architects and builders are finding the Rusco Prime Window an important factor in curbing rising construction costs.

A complete unit—finished-painted, fully-assembled with glass, screen, built-in felt weatherstripping, insulating sash (optional) and wood or metal casing—the Rusco Prime Window can be fully installed in 5 minutes or less on many types of construction!

But construction savings and speed are only part of the story. Minimum maintenance, exclusive selling plusses such as year 'round, rainproof, draft-free, filtered-screen ventilation, and many other advantages, make the Rusco Prime Window outstanding. For catalog of data and specifications, see the Rusco Prime Window distributor in your area or write the F. C. Russell Company, Cleveland 1, Ohio.

GLASS AND SCREEN INSERTS EASILY REMOVED FROM INSIDE FOR CONVENIENCE IN CLEANING. The Rusco removable sash feature has tremendous appeal as a convenience and safety feature.



a product of  
**THE F. C. RUSSELL COMPANY**, Dept. 7, NR22, Cleveland 1, Ohio  
In Canada: Toronto 13, Ontario  
World's largest manufacturer of all-metal combination windows

*A. J. Spinelle, Builder and Trustee, says:*

"As you know, I am using the Rusco Prime Window and Insulating Sash with Wood Surround exclusively in all my new ranch homes.

"I find that my construction cost has lowered a great deal and, in addition to that, your windows offer great sales appeal to prospective home owners. The Rusco Prime Window certainly enhances the appearance of my homes and the buyers are particularly pleased with the easy operation and convenience in washing the windows.

"I highly recommend this window for any type of residential construction and in many cases I am sure it would be ideal for industrial types of construction also."



GEBHART HOUSING PROJECT, BALTIMORE, MD. A total of 887 Rusco Prime Windows was used in the 87 units of this sizable building development.

ARCHITECT: Hal A. Miller & Associates  
BUILDER: Alan Construction Company

## THE BAKER'S DOZEN .....

REMEMBER the days of the baker's dozen? You used to be able to walk into a bakery and get 13 buns for the price of 12. That was wonderful. The practice became famous. It spread to South America and became so widely accepted there that they built a monument called the "Uneven Dozen."

They're still giving a baker's dozen in South America. But here? Well, we're too smart. Some fellow with a sharp pencil came along and convinced bakers that they were losing money, so they stopped doing it. And what happened? There's no longer any romance to the baking business. There's nothing that singles bakers out from any other group. Why, if bakers only knew it, the "dozen" did more for their business than any amount of printed advertising they could have used.

There's a lesson there for all of us.

For the past few months the real estate market has been sticky. People aren't buying as eagerly as they did — nor selling as quickly. We can blame current conditions. After all, the first of the year is usually lean and this is an election year and the defense program is taking a bigger bite out of the economy. But can we keep in the same sales gear, regardless of economic hills and valleys? Maybe the solution is to start giving a "housing dozen."

Are we giving service to our buyers and sellers beyond what is expected? Are we building homes with that extra value that makes people sit up and take notice? And are we telling them about it?

The automobile industry is outbidding us for the consumer's dollar. They include practically everything in their cars but hot and cold running water. They spend millions on research in body styles and colors and interior styling to make your car "stand out from the rest." They don't sell downpayments — they sell comfort and dignity and pride and speed and economy of operation. They sell the idea that you're not known by the company you keep but by the car you drive.

The fellow down the street who decided he couldn't swing a big enough downpayment for a home goes out and buys a 1952 Buick. And the real estate salesman goes back to the office thinking how miserable the market is.

We have more to lose than the auto industry. The houses we build and sell stand for years as a monument or a disgrace to us. We can't escape the houses we built and sold five years ago or that we build and sell today. Those are the houses that John Jones built — and they'll always be identified that way.

We can't depend on man's basic need for shelter to make him run to our door. People are spending less of their incomes for housing than at any time in history.

So what do we do? Let's give a housing dozen. Why not organize a national research organization of realtors and builders, manufacturers, financiers to study what will serve the housing needs of people best — what will make them scrape up every nickel they have to get a home? Let's stop talking in generalities about what we think people want and find out what will serve the demands of today's living. And then let's sell it . . . not in terms of downpayments and interest rates and 25-year terms, but in terms of bountiful enjoyment and comfort and security and pride for them.

Many of us are selling a good even dozen of value. But let's show people that in the housing industry they get 13 in a dozen.

— B. F.

### *Publisher*

HERBERT S. STAMATS

### *Editorial Director*

RALPH H. CLEMENTS

### *Editor and Business Manager*

BOB FAWCETT

### *Associate Editors*

ROGER C. LAKEY

WILLIAM O. TURNER

*Editorial Assistant:* Dorothy Quinn

*Research Assistant:* Elsie Patterson

*Tax Editor:* Bert V. Tornborgh

*Legal Editor:* George F. Anderson

*Art and Layout:* Donna Nicholas, director;  
George Bacon and Vivian Ives, assistants

*Circulation Manager:* E. J. Dvorak

*Production:* George E. Hogan, director;  
Roger C. Hawley, assistant



This view shows the grouping of the Ramblewood homes, where nearly 3800 people visited on opening day. Intense promotional effort sold 59 units in four weeks

Scale models displayed in store windows, costumed hostesses, car bumper placards, special invitations, radio and television spots, fully-equipped site sales office . . . all are part of a well-integrated, carefully-timed plan to draw prospects to Ramblewood

## Demonstration house with sales punch

**Y**OU can get crowds to visit your demonstration house. But how do you get them to come back and buy? That's the real test. Your promotion must be carefully timed and different . . . something to get people to sit up and take notice. And then you must make it easy for them to buy.

I. H. Hammerman, II, of S. L. Hammerman Organization, Baltimore realtor-builders, does just that. For several days before the opening of the Ramblewood demonstration house, he displayed a "working model" of the house in the window of the local furniture store which furnished the exhibit home.

He ran classified ads and quarter-page display ads in the local newspaper inviting the public to attend the opening. He sent special invitations to every apartment renter within several blocks of Ramblewood Homes who was paying rent equal to or more than a Ramblewood monthly payment.

For two days before the opening, Hammerman hit the public with 48 radio spots — more than one per hour while the station was on the air — again inviting people to come and see Ramblewood. The furniture company gave two good plugs on its TV show.

This carefully-timed advertising brought 3,785 visitors the first day. But the promotional effort didn't end there. Hammerman wanted to influence the "decision-makers" and make it easy for them to buy.

"Decision-makers in most home sales are women," Hammerman believes, so he chose the kitchen as the focal point of the showing. He equipped the kitchen with Youngstown cabinets, electric sink and dishwasher, and had local appliance store men on hand to demonstrate them.

Hammerman wanted to create a truly elegant atmosphere. To accomplish this he furnished the demonstration house far more expensively than the average owner would. The furnishings were in excellent taste and were complete from thick carpeting to china cabinets filled with fine Wedgewood china.

The theme of the Williamsburg Colonial architecture of the Ramblewood Homes was carried out by charming hostesses dressed in colonial gowns. When visitors arrived two policemen parked their cars while a young man in colonial garb noted license numbers and tied to the bumpers large placards advertising Ramblewood. The numbers were checked for owners, whose names were filed for follow-up by salesmen.

A costumed hostess handed each guest an elaborate brochure explaining the new Ramblewood group homes, neighborhood advantages, and financing terms. Another costumed hostess gave each lady visitor an orchid, while another served mints and candy.

Hammerman believes visitors should not be hurried through a demonstration house. Guests were allowed to linger and discuss every aspect of a Ramblewood home.

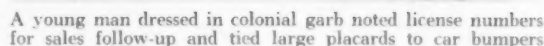
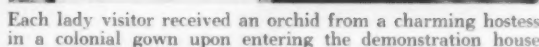
After this all-out effort to instill desire in the guests he made it easy for them to buy. As the guests left the demonstration house, they were ushered into a complete sales office in the unit next door. Seventeen salesmen were on duty to take on-the-spot orders. This promotion paid off with 59 sales in four weeks.

Hammerman didn't want his guests to forget Ramblewood Homes as soon as they walked out the door. He relied on his colorful brochure to deliver the punch that would bring them back for a second look.

"The brochure was attractive . . . they took them home. We handed out 3700 of them and not one was found discarded at the end of opening day," Hammerman says. "The brochures had enough information in them that people could discuss every aspect of living in a Ramblewood home."

The cover of the Ramblewood brochure is attractively laid out to resemble a magazine cover. The entire page is a four-color reproduction of a painting of a Ramblewood home. Across the top is the title, "Better House and Garden." The Hammerman firm's name appears inconspicuously on the lower right.

Selling prices of Ramblewood Homes are \$10,990, \$11,990, and \$12,990 for inside, end, and corner locations respectively. Financing is by New York Life Insurance Company.



Colorful brochures were handed to each guest. The center pages, above, describe neighborhood advantages, give full information

# How to Increase Land Value



By SOL GILBERG\*

In this enlightening article the author provides a layout of a hypothetical subdivision and discusses its development step by step. *Journal* readers will find a lot of valuable facts here that otherwise could be gleaned only through years of research, study, and experience

**P**EOPLE make real estate values. They make values by what use they put property to, the prices or rents they pay, and the standards of maintenance they live up to. Weigh all the compromises and all the components and you will arrive at the final estimate of a property's value.

For example, suppose you had a wealthy relative who owned and lived in a luxury home with an acre of ground around it. To him, such a home would be worth a great deal, not only in money, but in social prestige, pleasure, pride of ownership. Now suppose that this home were deeded to you and your annual earnings were only \$5,000. The value of this home, for you, could be expressed only in terms of the dollars you could get for it. Its dollar-value, in turn, would depend on your finding a person who would enjoy the estate and who could afford to maintain it.

So, you see, value varies from owner to owner, from year to year. There are other factors too. In dealing with urban land values, we find that there are four salient determining forces. These are:

- 1) People
- 2) Location
- 3) Use of Land
- 4) Capital Improvements

To simplify the points I want to make about these influences, I

have prepared a layout of a hypothetical development of a 640-acre parcel of land contiguous to a city. I call this subdivision "Upson Downs Manor." I don't mean for it to be construed as an ideally planned subdivision but present it merely to help illustrate my discussion about value and how it is determined. We're going to see how this subdivision might be developed from low-priced farm land to highly valuable property.

Let's look at the village of Upson Downs in the light of the four determining forces listed above.

**People and location.** This parcel of land is close enough to a metropolitan area so that its residents can work there. Located on a free-way to the center of the city, it's about half an hour away from most employment centers. There is also a bus service along the highway so that a local terminal can be established when the time is ripe. Moreover, Upson Downs is within 2,000 feet of necessary utilities. A gas main runs along the highway, and water and sewer services are also near. From a location point of view, the land is satisfactory for a development.

**Use of Land.** Since the land lies practically level, there will be little difficulty in setting up the different areas necessary to a development of this nature. These areas are:

single-family residential section, multi-family residential section, commercial district, civic areas. Properly developed in these directions, the land will be put to its highest and best use and will therefore reach maximum value.

**Capital Investment.** Ample funds have been provided for this development and complete financing has been arranged for homes, apartments and commercial ventures. One of the most important considerations in any new development is to be sure that improvements are economic — the land must not be over-improved or under-improved. Our surveys (hypothetical, of course) indicate that there will be very little waste land in this parcel. We have allocated the various uses of the land in a way that will avoid over- or under-development.

After careful study, we determine that 480 acres can profitably be set aside for single-family residential use. If we allow  $5\frac{1}{2}$  homes to the acre, this amount of land would permit the building of 2,640 homes by the time the project is completed. Since experience has taught us that in such subdivisions we can expect an average of  $3\frac{1}{2}$

\*This article is condensed from a lecture by Sol Gilberg, delivered at the Oakland Real Estate Board Institute on Property Values.

persons to the family, this number of homes would house a population of 9,240.

We decide to use 40 acres for apartment-house development with a density of 35 families to the acre. We can expect this type of family to average  $2\frac{1}{2}$  persons. Thus we are going to build 1,400 apartment units and house 3,500 people. This brings our total population to 12,740.

We set aside a total of 80 acres for the commercial development necessary to a population of this size — plus an additional population that will no doubt take root on land adjoining our subdivision and that will come in from other communities to shop. Out of this 80 acres, only 20 will actually be covered by buildings and improvements. The balance of the 60 acres will be used exclusively for parking. Ample provision of this sort is made because we estimate that within 20 years this area will be the center of a community of 65,000 people.

The balance of the property in the subdivision — 40 acres — is allocated for civic use. This includes the necessary church and school

facilities, recreation areas, community center, fire department, sheriff's office, and library. While this land would ultimately be purchased by public bodies, the owners must nevertheless be prepared to hold it vacant for several years. Many subdividers have decreased the full value of their development by not allowing sufficient area in the project center for civic use.

#### How value increases

What are the means by which residential, apartment, and commercial areas will be improved? And how will each gather up more and more value with the momentum of the development and with the help of capital?

**Planning.** The first costs to be charged to the venture are those of preliminary surveys, attorney's fees, cost of initial financing program, and general overhead. After this, a civil engineer must be hired to make a complete contour survey of the property. When this is done, the subdivision engineer starts the layout of streets, utility and drainage systems. To this cost will be added that of architects and landscapers. Next, plans must be filed

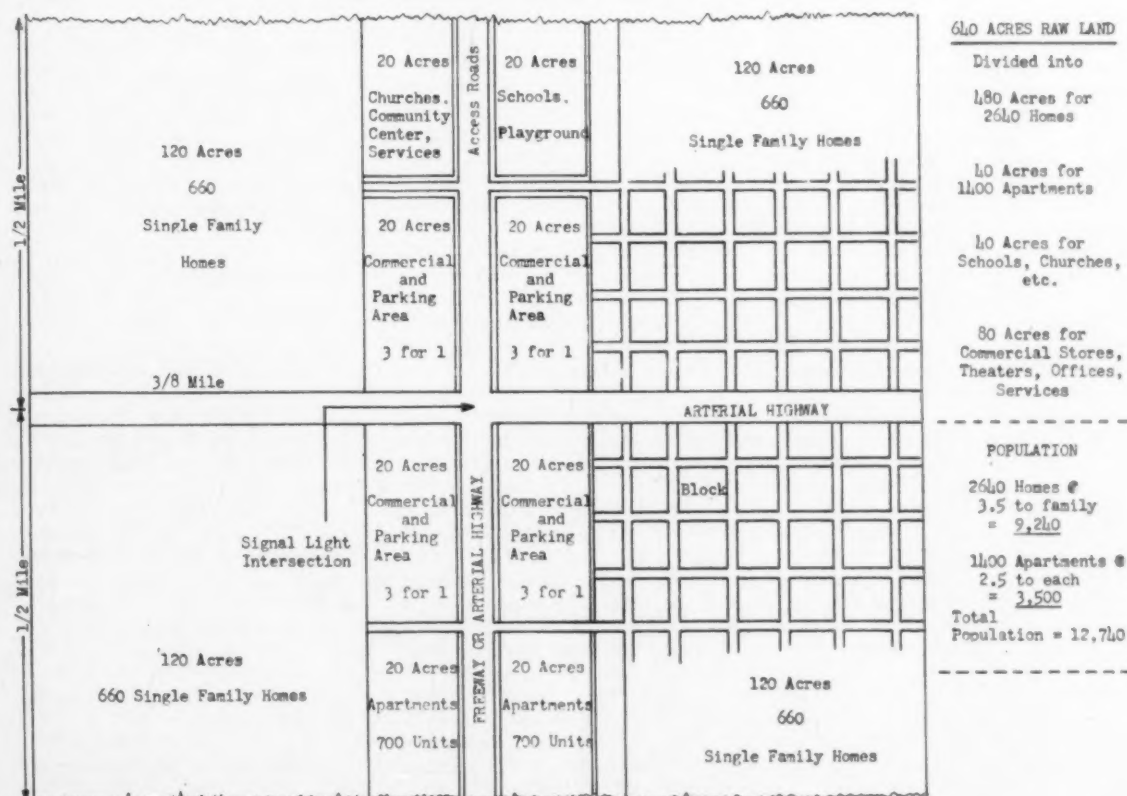
along with an application to subdivide with state, county, and city authorities.

It is this preliminary effort that takes so much time and has so many hidden costs. However, it is the thoroughness of this first work that assures the success of the development to come, that results in the land ultimately being put to use that assures its highest possible value.

**Processing the Surface.** The land is now ready to prepare for use. The first thing to do, of course, is to clear it of brush, trees, obsolete improvements, and the like. Then bulldozers go to work and start grading the land for streets. When this is done, the drainage engineers go to work. It should be pointed out that drainage is an expensive business. State commissioners, local officials, and FHA all insist that excellent tile drainage systems be used.

**Access.** Our subdivision will be of no earthly use to anybody unless people can easily get into it. Since it is divided by a freeway, we must build access roads fronting and paralleling the freeway. We also must provide streets

### Hypothetical Development of Upson Downs



throughout the area. The laws usually provide widths of 50 feet, and some arterials will have to be even wider. Then, too, we must put in curbs and sidewalks (especially in business, civic, and apartment-house areas). Some cities require alleys. All these improvements cost a great deal of money and the ultimate purchasers must pay for them. They go into the total value of the land.

**Utility Installations.** In the case of our particular subdivision, water mains and interceptor sewers are within 2,000 feet of the property. Lines are brought to the property only after obtaining satisfactory easements. The proper network of lines is installed throughout the subdivision. At the same time, we must run connecting gas lines. In some areas electricity and telephone services would be taken care of by the utility companies, in others their cost must be borne by the subdivider. Installation of utilities is a terrific cost in a subdivision such as Upson Downs.

**Developing.** To give you an idea of developing our project, let's assume that we're erecting 1,000 homes a year with a construction loan of \$6,000 on each. That is a total borrowing of \$6 million dollars. The annual interest on this amount is \$300,000. This makes the timing of the entire project an extremely important consideration. Should the market drop rapidly before the project is completed, we might lose millions. New government regulations could hurt us badly. Bad weather, strikes, labor or material shortages could cause delays that would cost us heavily in interest — and in taxes too. For this reason, a *contingency* or *margin-of-safety* cost must be provided for in our plans.

**Promoting.** Every real estate man will readily appreciate the attention that must be given the matter of promoting such a development as we have undertaken. The advertising and public relations methods that we might use would require an article in themselves.

**Building.** Now at last we're ready to get down to the matter of building each home, apartment, and commercial building. Again, I won't go into detail, because this is a subject in itself.

#### **Cost summary**

Now let's summarize our costs and apply them to the finished buildings in Upson Downs. For the sake of simplicity, let's begin by

considering the one-family homes.

Costs of planning, surface processing, access, utilities, and developing add about \$1,000 per lot. For example, a 50-foot street alone costs about \$12.50 per lineal foot or \$6.25 per front foot for each inside lot. Thus, if an inside lot is 50 feet wide, its half of the street cost will amount to over \$300. But we also must add to this the cost of intersections and of feeder streets on which we have no salable lots, and we cannot very well add the cost of 150 feet of street to each corner lot. Also we must bear in mind the fact that we have used about 40% of our total acreage for streets, parkways, and the like.

#### **Land costs**

If we bought the land for \$2,500 an acre in the first place, we find that our total cost per lot is now around \$1,500. But we still must add at least \$500 to take care of promotional expense, contingencies, and profit. We're now up to \$2,000 a lot. Since it is not economical to let the land cost more than one-fourth the cost of the house, we wind up with the necessity of building an \$8,000 house. So the entire package will sell for \$10,000.

The apartment development is at least as intricate as the residential. All the costs we mentioned above are present with the apartment buildings, plus some more. I won't go into much detail on this, but I can pass over the importance of getting the most favorable financing possible in order to keep carrying charges low. Unless we do this, it won't be possible to compete with other apartment rentals. And that would be fatal.

Another important thing about the apartments is that we must assure ourselves of floor plans, construction, and appointments that will avoid undue maintenance costs in the future.

The land costs for these apartments is very low, however, and here is where we, as subdividers, pick up some of our gravy. We could afford to pay \$1.00 a foot for land like this for apartment use — but we got it for 20¢ a foot.

The commercial land value will show even more fantastic gains in value than the apartment land. The nucleus of the development is a department store branch. Next in importance is a super market. Surrounding these are drug, hardware, variety, jewelry, apparel, and shoe stores. There must be a professional building, a theater, and all the service stores — beauty

and barber shops, dry cleaners, a laundrette, shoe repair shops.

Because of the land use of our 640 acres, these merchants will have something of a monopoly. Considering this and the prospect of future growth, it's important that the lease terms permit a continual monetary enhancement in the value of the property.

Eventually, the 4,000 Upson Downs families will spend \$8 million a year. And we have planned our shopping center for many times that many families who will come in from neighboring communities. This is where that 60 acres of parking space begins to pay off — and our recreational facilities too.

A reasonable estimate of the volume of business that the commercial center of our project will be doing in a few years might be figured on a basis of 18,000 families. This would mean a dollar volume of \$36 million annually. The owner of the property will realize about 3% of this on percentage leases — \$1,080,000. I won't go into statistical details here but by basing our appraisal on this figure we find that the commercial center will have a dollar value of \$60,000 per acre when fully developed.

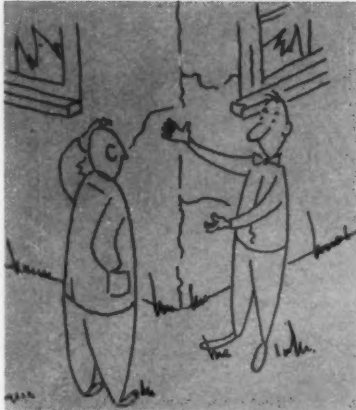
Remember — this land cost us \$2,500 an acre. The improvements we put in amount to about \$5,500 an acre. This brings our cost to \$8,000 an acre. Now why does this property become worth \$60,000 an acre when residential land only a block away is worth only \$8,000 an acre? This is a shining example of how people and location determine value.

#### **Personal enterprise**

But there is still a more important factor in this instance — personal enterprise. If some promoter and subdivider had not conceived this plan for a development and then had the nerve to undertake it, it's entirely possible that nothing would have happened to this 640-acre parcel and that it would have lain undeveloped for years.

And so here, as is often the case, value has been created because the right person came along — a person with a creative spirit, the ability to turn plans into action, and with access to venture capital. The most important factor of all perhaps is the fact that we live under a system of government where initiative, enterprise, and the good old American custom of risking capital are still rewarded.

# face up to the b'ar



Aside from having moral value, honesty is a basic ingredient in good salesmanship

There are few homes without one or two major or minor defects. When a prospect voices his objections to these, the instinctive response is not always the psychologically sound one. Here are some practical tips on how to meet sales-crippling objections



Don't create objectionable features by exaggerating the advantages of a house

LEGEND has it that Steve Meek, early frontiersman noted for killing a bear with a hunting knife, commented on the episode: "The fust step in fightin' a b'ar is to face up to the critter."

The only way to whip unpleasant aspects of a selling problem is to "face up" to them too.

Suppose you're showing a prospect a home. He's plainly interested, likes everything he sees. You'd be pretty hopeful of the sale if it weren't for one thing — the heating plant is in need of extensive repairs and is functioning at somewhere around 50% efficiency. But it's a warm day, the temperature is comfortable in all the rooms, and the thought crosses your mind that it might be smart not to say a word about that furnace.

Most experienced real estate salesmen, of course, know what to do when the choice is so clearly one of being honest or dishonest as it is in the example we've given. Even if we put honesty aside as a moral value, it's only good salesmanship to face up to the furnace problem and tell Mr. Prospect about it. As a matter of fact, it's one of the first things he should be told.

If you tell him about that furnace, he isn't going to take its defectiveness half so seriously as if he discovers it for himself. And he's going to respect you and trust you. If you can't sell him that house, at least your chances of selling him another have improved immeasurably. So by all means

tell him about it and tell him about it quite frankly. Don't try to gloss over it.

At this point, a fundamental of salesmanship bobs up, as fundamentals have a way of doing. A thorough knowledge of what you have to sell is as important in overcoming objectionable features as it is in good presentation of desirable features. If, for example, you know exactly what is wrong with that furnace, what it will cost to fix it, and why the owner won't have it done, your prospect will feel that you have done everything possible about the matter. The psychology involved here is this: Because you are conscientiously concerned about that furnace, Mr. Prospect is to a certain extent relieved of concern.

Moreover, there may be a simpler solution to that furnace problem than appears at first. Maybe the owner has a mistaken idea of what repair costs would be. If you take the trouble to get an estimate from a furnace man, Mr. Owner may be surprised by the figure and agree to have the work done.

But suppose you *forget* to tell Mr. Prospect about that furnace. He discovers it for himself. And is he burned up!

It shouldn't happen, but we'd be less than realistic if we pretended that it didn't. There are times when a prospect discovers objectionable things for himself. The result is that he gets mad and blows the objection up in his mind until his view of it is out of all

proportion to its real importance. What's the best way to face up to a situation like that?

The first rule is: *Don't argue.* No matter how exaggerated Mr. Prospect's description of the defect, no matter how unfair he is, you'll only antagonize him if you argue. You have to meet his objections, of course; but meeting objections isn't necessarily arguing. Don't give even the slightest impression of argument by word, gesture, or facial expression. And don't interrupt him — he won't hear a word you say as long as he is steamed up. He'll just spend the time thinking of what he's going to say next.

So let him talk. Go a step further than that — *encourage* him to talk. In the first place, an objection expressed to you is a whale of a lot less dangerous than one not expressed. In the second place, he'll feel his objections much less intensely once he gets them off his chest. By talking, he clarifies the matter in his own mind, tends to see it in his true proportions.

If he slows down between blasts and you get a chance to put a word in, here is the psychologically sound thing to do: *Re-state his objections even more forcibly than he did!* By doing this, you label his objections, seem to accept them, and he feels that they are being dealt with once and for all. An effective trick is to take out a notebook and make a note in it, saying aloud as you write, "Furnace is a

(Please turn to page 39)



Haphazard additions to this 1780 house in Rumford, Rhode Island, made the structure a massive jumble of conflicting angles. Realtor Duncan Campbell removed porch, dormers, and rebuilt the interior to restore it as a salable, authentic Colonial house

# WANTED: Angels for Elephants



A Rumford realtor has found profit in converting  
unsalable houses into desirable homes. The typical project  
we examine holds a moral — or at least a selling tip —  
for all who have a white elephant problem

**WE ALL** have them — those old, awkward, styleless houses that return to our lists year after year and that nobody wants. White elephants, we call them. They're well-built houses, often as not, and naturally the owners hate to come down on their prices.

Of course, they do come down eventually, if they really have to sell. Probably they come down two or three times.

What happens? Maybe nothing. Maybe your most hopeless listing haunts you for years, becoming more run down, more out of date — more white and more elephant. Or — you've seen it happen — a couple of alert youngsters buy it for a song, have the time of their lives fixing it up, and sell it at a respectable profit. Or, if zoning laws permit, a business organization buys it and converts it into a dignified suite of offices. Or an elderly couple buy it, put up partitions, add a bath or two, and become proprietors of a profitable apartment building. Or a doctor takes it, remodels, and saves rent by using one wing as an office.

This suggests that a solution to the problem does

exist — remodeling. All that many a cumbersome old white elephant needs to change its aspect to a sound dollar-green is an angel — the kind that's willing to invest a little money.

Duncan B. Campbell, realtor of Rumford, Rhode Island, found that out. As a sort of avocation, he began taking over white elephants and transforming them into marketable properties. He found there was good profit in the business and a relatively quick turnover of invested capital. The result is that his firm, Campbell Homes, Inc., now makes a specialty of transforming unwanted houses into highly desirable homes.

Part of the firm's success is undoubtedly a result of the talents of its members, who, besides Campbell, are his wife and sister. Mrs. Campbell is purchasing agent for the corporation and is also of great assistance as a practical homemaker. Miss Lois Campbell, his sister, has studied architecture. Campbell himself served a carpenter's apprenticeship in his youth and is thus qualified to plan and supervise structural changes.

As an example of the sort of project where this

team shines, take the clumsy old house on Pawtucket Avenue, Rumford, that nobody wanted. Possessed of two ungainly dormers, an out-of-proportion porch, and a flat-roofed wing, it was a massive jumble of conflicting angles. "A typical pachyderm," one real estate salesman characterized it, "vanilla flavor." For several years it went begging for a buyer.

Then Campbell's firm got interested in it. Looking it over carefully, Campbell found that its Victorian appearance was entirely the result of additions that had been made haphazardly from time to time. The original house was a very old one. He discovered it had been built between 1780 and 1790 and was probably the first house on the edge of an old "commons." Discussing the matter with his wife and sister, he saw real possibilities for the property's renovation. He bought it and the Campbell team went to work.

First, they had the big Victorian porch torn off — and found, well-preserved between porch ceiling and roof, the original carved-wood fan over the doorway. Only minor work was needed to restore this beautiful piece. The porch was replaced with a flagstone-top terrace, bounded by an iron rail.

Next, the Campbells tackled the dormers, removed them both. The rear one was so high that they found it possible to frame and board in the new section of roof by working in under the dormer before removing it. They restored the ridge roof over the ell so that it conformed to the rest of the house.

Inside, they found that careless carpentry had weakened the skeleton of the house at the time of some previous remodeling. They spiked in heavy new planks to reinforce timbers that had been cut without regard for proper bracing.

Many ceilings and sections of wall were badly cracked. These were wire-lathed and replastered with U. S. Gypsum plaster. More plaster was used in this restoration than would normally be used in a new six-room home. The house was insulated with Gold Bond insulation.

All of the plumbing, dating back to the early 1900's, was replaced. Out-dated pipes were replaced with Chase copper tubing. Two full baths were restored with American Standard fixtures and Pittsburgh plastic tile.

The kitchen was a typically barren, old-fashioned room with a sink on legs and a lot of bulging woodwork. There were no shelves or cabinets. Campbell proceeded to install a modern kitchen finished in mellow pine. There is now an abundance of counter space and plenty of cabinets, but one whole wall was left free for a table-and-chairs grouping. Armstrong linoleum was used on the kitchen floor and Walker oak on the other floors.

Room by room, the property was restored. Closets (there was a dearth of them in the house when Campbell took it over) were put in where they were needed. A wall between hallway and living room was installed to replace Victorian columns. The main staircase was completely rebuilt. A two-inch sag in the center of the house was corrected with 20-ton hydraulic jacks, and steel lally columns were put in. A modern heating system was installed. Old glass was replaced with Pittsburgh glass. Flintkote shingles were used on the roof.

The cost approximated \$10,000. But Campbell had converted a house that had practically no value on today's market into an authentically restored Colonial, sound and modern in every respect. He sold it for \$20,000.

The successful angelling of white elephants takes

### Cost of Remodelling

Labor (carpentry only) .....	\$1,301.87
Lumber .....	970.71
Lath and plastering .....	597.70
Masonry:	
lowering chimney .....	\$ 74.00
cleaning chimney .....	50.00
stone terrace & rail .....	281.20
Hardware (finish) .....	64.15
Paint (labor and materials) .....	925.50
Tile (plastic) .....	197.55
Electric work & fixtures .....	244.59
Wall paper .....	76.70
Plumbing including cesspool .....	1,707.93
Heat (reconditioning and adding radiation) .....	485.40
Scraping floors and new linoleum .....	295.00
Conductors .....	53.80
Common labor .....	165.00
	<u>\$7,637.83</u>

Insurance, public liability insurance, fire insurance, social security tax, and operating overhead bring the cost to approximately \$9,000. Selling expenses add another \$1,000.

time and energy, of course; it should be undertaken only by those who enjoy it. And the sort of restoration cited above takes special skill, too — the knowledge of construction and of period architecture that the Campbell firm is equipped with. But there are other ways to remodel white elephants — they can be turned into apartments, offices, studios, clubs.

For many real estate firms, practical considerations will rule out the sort of undertaking Campbell has found profitable. But there is a moral in his projects and a valuable selling tip for everybody in the profession: Don't expect the run-of-the-mill home seeker to be interested in your white elephants. To sell them, look for an angel.



A typically barren, old-fashioned room with a dearth of cabinets, the kitchen was completely re-done. Campbell covered walls with mellow pine, added abundant counter space, cabinets

# INGENUITY

*builders' solution to obstacle-beset year*

By BOB FAWCETT, Editor

Home builders wanted facts at NAHB convention about what their job would be this year. They were told the obstacles — shortages, financing, government restrictions, market — but they laid cautious plans for a healthy building pace, relying on new ideas to see them through

THEY had mixed feelings. They were enraged, thinking that the home building industry had been singled out for the biggest production cuts. Yet many were optimistic. They had had another record year . . . 1,090,000 houses had been started. What was all this talk about material shortages? They hadn't felt the pinch yet and back home there was a good supply, even a backlog of materials on the "critical" list. Still others were pessimistic. They saw shortage bottlenecks on the horizon. They thought that the mortgage market was at its worst level in 20 years and no improvement was in sight. Others claimed they could get all the financing they needed . . . with a little hard work.

And what about the market? Would there be as great a demand for new homes in 1952? They were assured by speakers that there would. But back home their houses had been moving more slowly. They wanted new ideas about construction, design, products to help save the most dollars and materials and appeal to the most prospects in 1952.

And so they jammed Chicago hotels last month — 17,000 home builders, government officials, product manufacturers, and others interested in the housing industry — for the annual convention of the National Association of Home Builders. They thronged convention corridors, spilled out of elevators, elbowed their way into exhibits, crowded into eight general sessions and 15 discussion meetings to find the answers. At the end of four hectic days their opinions were almost evenly divided. Some were bullish, some bearish. All were confused.

In spite of the confusion, one thing was sure. There was a different tenor — a refreshing one — to the entire convention. The home building industry had come of age. Members were earnestly trying to solve their problems themselves. They spent less time grumbling about current conditions — government policies, financing, market — and more time grasping every idea possible to build better houses at less cost.

There were questions, certainly. To a man they were indignant about government restrictions. Housing starts were to be 40% under the 1951 total. And then the word got around. There had been a misinterpretation. HHFA Administrator Ray Foley said that 800,000 starts would be the "attainable" target if scarce metals are conserved.

That sounded better, and delegates were ready to take the cut-back in stride. But was it necessary? Were metal items really short? Manly Fleischmann, DPA administrator, explained, "Before Korea the military used 3-5% of the copper supply. Today, 50% is needed by the military. The same is true of aluminum." But he sounded this note of optimism, "In 1953 the materials situation will be much easier, particularly structural steel."

And how much defense housing is included in the 800,000 total? Foley told them that the goal was 200,000, that 142 areas have been declared critical and there have been 67,435 units programmed. But they booed when he admitted he will seek an increase from 50,000 to 75,000 public housing starts for the next fiscal year.

Government men admitted that the 800,000 goal

Top: Joe Merriam lights NAHB's 10th anniversary candles at annual banquet while hundreds of jubilant delegates look on. Next: Bill Atkinson tells of possible square foot limitation in a closed-door session with NAHB directors. Next: Mixed feelings about '52 outlook are expressed by industry leaders. Bottom: President-Elect Brockbank and wife ponder what '52 has in store for them as Bill Atkinson introduces new officers



might be exceeded. More than 300,000 pre-Regulation X commitments are still outstanding. But they expressed hope that builders would hold the total down. Fleischmann put it this way, "It would be bad for the country if you built a million homes this year. It isn't just the metal that goes into construction that's important; it's the metal that is used in the TV sets, appliances, telephones, power lines for those homes."

Other officials hinted that the cut-back was an anti-inflationary measure, but builders argued that less construction would push existing home prices up.

Talking with delegates, *Journal* editors found building plans are surprisingly similar to last year's, the biggest change being that more homes will be built in a lower price range. One builder summed up the feelings of many: "NPA's bookkeeping is off. NPA took the offense so if builders exceed the limit, government can say, 'They didn't cooperate'."

What restrictions can the housing industry expect if construction keeps at a rapid pace? Government officials hedged on the question of a square footage limitation, but they admitted it was being considered. Many builders expect such a clamp-down (the best guess is restriction of homes of more than 1500 square feet) before spring. And they're ready to fight it. Irwin Blietz, builder of luxury homes in Chicago, told *Journal* editors he had already cut back 75% from last year's program. "More controls aren't necessary. It's discriminatory to prohibit bigger homes. Before they do, they'd better halt production of Cadillacs."

Whether or not government officials are laying on too many restrictions before the full effect of the slow-down is felt was another question. NAHB's 1951 president, energetic Bill Atkinson, claimed too many "scare" statements were emanating from Washington, giving an unrealistic picture of the housing pace. "January starts probably will be unusually high," he said, "because of the talk about reimposition of the original Regulation X."

Financing? Getting 4% money is still the big question. GI loans are getting stale on the shelf. And FHA loans aren't much better off. But T. B. King of the VA said GI home loan applications are still running between 25,000 and 30,000 a month. That didn't satisfy the builders. They said the upward trend in interest rates isn't going to change. And since there are consistently fewer takers of 4% money, they're afraid the government will get into more direct lending.

Congressman Jesse Wolcott said, "We can't have loose money on the part of government and tight money on the part of industry." He said there was a "possibility of Congress raising the GI interest rate in its next session" in order to funnel more money into homes for veterans. But Senator John Sparkman denied any such possibility.

Builder Dave Bohannon of San Mateo, California, told *Journal* editors, "Mortgages are independent. I even had to send one of my office girls over to a big mortgage company to process our own loan. I haven't talked with one builder who can't get all the mortgage money he wants. He may have heartaches getting it, but he can."

(Please turn to page 40)

Top: Manly Fleischmann, DPA boss, sees one of alternate materials Dave Wilson, left, plans to use. Next: Delegates carefully eye one of 250 product exhibits. Next: Dave Bohannon presents Al Balch with one of NAHB's neighborhood development awards. Next: Builders stand in line to study array of alternate materials set up by Joe Schulte. Bottom: Brockbank points out where '52 defense housing is most needed



# trade secrets...Plus

By ROGER LAKEY  
Associate Editor

Home builders are at last throwing off the shackles of tradition and coming up with a well-engineered, mass-produced house that offers more living per dollar. Cost-cutting ideas freely exchanged at the NAHB convention last month would have seemed preposterous a score of years ago. Here are many ideas from the nation's builders



Bill Atkinson demonstrates his 37-man "Operation Trade Secret" panel, a culmination of three regional "Trade Secret" meetings

**S**PURRED on by the ominous threat of shorter supplies of critical materials and a desire to give more house for less money, builders eagerly told all in Bill Atkinson's "Operation Trade Secret" panel and Earl "Flat-top" Smith's shop talk sessions. The builders were quick to see that new methods and materials not only stretched the critical stuff to the limit but in many cases were better and cheaper.

For example, Andy Place of South Bend, Indiana, has devised a warm air perimeter heating system requiring no metal ductwork that is cheaper and better for slab construction than conventional methods. The system uses a counterflow furnace over a plenum chamber in the center of the house. Eight-inch radial ducts feed a six-inch perimeter duct, all ductwork being bell-type glazed sewer tile. Place saves half the price of top

grade tile by getting seconds. He says people like his system better than warm water radiant heating and it costs \$300 less.

Place designed a two-piece plumbing tree that replaces nine standard pieces. The new design permitted him to add an extra half bath for an additional cost of only \$55.

To use less aluminum in windows, Place devised an assembly that uses wood sash. The frames are assembled from No. 2 or better Ponderosa pine. Sides of the jamb are actually framing studs. A 1 x 4 head piece goes on under the standard header, and the sill is cut from a 2 x 6. All pieces are grooved and rabbetted to receive the sash and weatherstripping. Only metal required is a set of simple upswing hardware. Even using insulating glass, Place's system costs less than the conventional casements plus storm sash and screen.

David Slipper of the Fritz Burns Company, Los Angeles, uses a standard floor plan, even for large communities. In a project of 3,000 homes, he used two floor plans and styled each house differently by varied exterior walls and roof forms, varied lots and setbacks, changes in garage-to-house relationships, and group form changes. He used superficial variables such as shutters, flower boxes, trellises to lend further individuality.

Slipper says the company has a special crew for each job and moves the crew from job to job. He often spends material to save labor — "If a 2 x 6 without a strut will do the same job, don't use a 2 x 4 with a strut."

Wallace Johnson, Memphis, supports Slipper's practice of many variations of a single floor plan. He says, "Get down to a study of the design and planning — you can get as many as 26 or 27

elevations with only two plans."

Otto Olsson of Phoenix believes the first place to economize is on the drawing board. "Find out what the government agencies will let you do, then work out an economic design. Outline what you want in plans and then go over it in detail with your architect."

Ned Cole of Austin, Texas, advocates the "one-room theory." This method uses roof trusses and no interior load-bearing walls. The outside walls are built and dry-walled in three or four hours by a three-man crew. Interior walls are fashioned from storage units pre-assembled and stocked by the builder. This method lends great flexibility to the floor plan.

Martin Bartling, Jr., of Knoxville uses the same method. He says storage walls save from 8 to 10 inches of closet wall thickness, which means a substantial saving in terms of area at \$10 to \$12 per square foot. The one-room theory enabled Bartling to reduce the number of carpenters from 16 to 7 yet keep the same volume of construction. He says erection time can be cut by a third.

Bartling's storage walls are constructed on a 2 x 2-inch frame covered on the outside with 1/2-inch Sheetrock. Floors are 1/4-inch plywood. Doors are Novoply panels which slide on oiled hardwood strips. No hardware is used except 10-cent door pulls. Dimensions of one type of closet are 4 x 8 x 2 feet. At a cost of \$10 per lineal foot for storage walls, this closet costs about \$40.

Dick Hughes, Pampa, Texas, says houses must be planned for expansion. "In a survey of our last 2,100 houses, I found 738 had been expanded — many in a haphazard fashion that decreased property value. The people were so well settled they didn't want to move to get more space. If you don't allow for expansion, they'll expand 'em anyway."

Albert La Pierre, Seattle, emphasizes better product design: "Chrome line your windows to lower the apparent height of the house; pre-assemble built-ins for walls; eliminate corners; simplify millwork; use slab floors and dry walls." He advocates using your own heavy construction equipment and setting up your own engineering and design departments.

Leonard Frank of Long Island says the looks of your model house can make or break your sale. He recommends the use of a new paint, Plextone, that is tough and

plastic-like, and is often mistaken for a wall material. Damaged spots can be retouched invisibly, Frank says.

Frank cuts sheathing costs by using gypsum—less labor, no milling waste. On two-foot overhangs, he uses 4 x 8-foot asbestos boards cut in two for soffits. The boards reduce cutting costs because they can easily be scored and broken. Frank uses Masonite interior swinging doors and Novoply sliding doors.

Frank eliminates as many trades as possible. On low-cost houses he uses prefabricated chimneys. Subcontractors work on a non-union, piece-work basis.

The garage question stirred up a lot of comment at the shop talk sessions. Opinions differed widely. Johnson of Memphis leaves them off. So does Emanuel Spiegel of New Jersey. But Fritz Burns says if you think of the many uses of a garage, it's the cheapest space you can build. Burns provides double garages now and is considering triple garages. Texas builders say FHA won't let them eliminate garages. Frank Tufaro, Bronx, New York, says if you don't provide garages the owners will . . . often in a manner that will lower property values.

Architect Herman York, Long Island, summed up the advantages of the slab floor in the "Operation Trade Secret" panel. But the debate was carried over into the shop talk sessions.

Slab advantages: faster operation, no excavation, minimum form work, no first floor girders, no areaways, no waterproofing, no first floor joists, no subflooring,

less sheathing and exterior finish, less bridging, minimum backfill, fewer partitions, greater prefabricated chimney possibilities, less plumbing lines, less nails, more open planning possibilities.

On the con side came these suggestions: no savings — must build in more space to accommodate former uses of basement; in Idaho, terrific sales resistance to slabs; in Long Island, women won't walk on slab floors — tires the feet; in Ohio, a builder says he must buy fill dirt at \$3 per yard when he uses slabs, but when he excavates for basements at 55 cents per yard, he can get all the fill dirt he needs.

Place saves \$1,800 on a 28 x 40-foot house by eliminating the basement. He uses 2 x 8 joists in half of the attic to provide storage space, puts roof trusses in the other half, and provides only one interior load-bearing wall. Others are storage walls.

Many builders use joists over a crawl space (18 inches minimum) to eliminate basements. Some even use the space as a plenum for heating . . . eliminates ducts. They insulate outside walls and cover the ground with waterproof felt or a thin layer of concrete. Registers are merely cut into the floor. System requires a counterflow furnace, saves critical material. Heating is about 50% radiant and 50% convective.

Others say joists over crawl space is more expensive than slabs. Some use hardwood floors over slabs. They cover the slab with mastic, lay 2 x 4 sleepers of No. 4 lumber soaked in creosote, and lay a single oak floor over them. A

(Please turn to page 37)



"Standing room only" was the rule in both of NAHB's spirited shop talk sessions. Earl Smith, left, shown chatting with J.C. Taylor, moderated the idea-packed meetings.

"We do not anticipate any commercial construction starts in the second quarter of this year, possibly even the third quarter. We are planning to issue a revised regulation covering all construction orders and a regulation permitting use of foreign steel for essential commercial building. A list of the most essential commercial construction will be set up and this will be the first group to get steel when it is available."

HENRY M. HEYMANN, *General Counsel*  
Construction Division, NPA

"There will be sufficient mortgage funds to finance 1952 production, provided the number of units stays around the 800,000 figure. What is virtually needed today is an increase in the FHA and VA interest rates which remain rigidly frozen at 4¼% and 4% while the entire money market has moved up in price since the federal reserve system-treasury 'accord' of last March. The entire mortgage industry is somewhat stifled under a controlled economy, making it necessary to accept as reality the prospect of the government's further entry into this field."

AUBREY M. COSTA, *President*  
Mortgage Bankers Association

"Veterans of World War II have been given a poor deal in the downpayment restrictions. The section of Regulation X which controls downpayment requirements on GI loans provides that the preferences accorded to veterans under existing law should be preserved. Under the Housing Act of 1950 the GI loan program was transferred from the VA to the HHFA. I don't think the downpayment restrictions as arranged by HHFA comply with the spirit of the Congressional directive."

ROBERT H. BUSH  
American Legion

"Small houses are proving a bad deal for veterans. They have used all their guarantee provisions under the GI Bill to buy houses they will soon have to move from. I think we should be aiming not at the \$7,000, but at the \$12,000 house. The American people want bigger houses, not smaller ones."

ALBERT BALCH, *Builder*  
Seattle, Washington

"The most significant recent development in the study of housing has been the humanization of research. Concern is no longer exclusively with 'things', but also how well they can be made to serve people. This change in our approach is important and promises great improvements in our dwelling structures."

JOSEPH H. ORENDORFF, *Acting Director*  
Division of Housing Research, HHFA

"Get people to sit up and take notice of your homes. Exaggerate features. If the conventional shower cabinet is 3 x 5 feet, install one 3 x 6 feet. Put a little more in your houses to get people talking about them."

HERMAN YORK, *Architect*  
Long Island, New York

"As I view the outlook generally for the future, the over-all demand for housing accommodations in the country as a whole may be expected to increase at a more rapid rate than the population for many years to come. But the home as a social center and

# 'Round Convention Halls

place of abode has decreased in importance, so the feeling of need for larger homes appears to be far less strong today than it was 30 years ago."

F. L. CARMICHAEL, *Director*  
Bureau of Business and Social Research  
University of Denver

"Production is the keystone in the arch of our economic stability. There is a greater inflation danger in not enough houses than in too many. We should get at the cause of inflation instead of wasting time with investigating the results."

CONGRESSMAN JESSE WOLCOTT  
House Banking and Currency Committee

"I don't believe in a priority system for materials. We divide on a quantitative basis for a rounded production and construction program. One is as important as the other. We want to avoid a federal permit system. That can be done in two ways: Federal restrictions on the use of materials and your own restrictions on construction. The less material you use now the more you will have in the long run."

MANLY FLEISCHMANN, *Administrator*  
DPA

"Under the present copper limit, wiring according to specifications of the National Adequate Wiring Bureau should permit a 1000-square foot house. Your choice is to provide enough wiring in a small home or inadequate wiring in a larger home."

PHILLIP V. BROWN, *Sales Manager*  
Union Electric Company

"We aren't positive yet that Title IX is working in defense areas. It has been in existence too short a period. We had some deflationary reports in a committee meeting. Some said Sections 903 and 908 have too many value features. We will have to do a lot of cooperating with FHA to make this work."

ALAN BROCKBANK, *President-Elect*  
NAHB

"How happy are buyers with their houses? Perhaps the best answer is that, according to our survey of 40,000 families, 62% hope to sell them. About 50% of the families have basements, and would not sacrifice them for other features. The same is true of separate dining rooms. A great many are not satisfied with their heating. Few who have expansion attics have finished them. A majority feel that their lot is

(Please turn to page 40)

# NAHB

## Elects New Officers for '52



Alan E. Brockbank  
Salt Lake City  
President



Emanuel M. Spiegel  
New Brunswick, N. J.  
First Vice-President



Joseph B. Haverstick  
Dayton, Ohio  
Second Vice-President



Paul L. Burkhard  
Glendale, California  
Secretary



Richard G. Hughes  
Pampa, Texas  
Treasurer

---

## Builders Show Unusual Interest In Prefabs

**M**OUNTING costs, financing obstacles, and impending shortages of critical materials stimulated more than usual interest in prefabrication at the NAHB convention. At one of the best-attended clinic sessions, delegates heard both large- and small-volume builders discuss the advantages of using prefabricated homes.

Theodore Maenner, Omaha realtor-builder, says prefabrication and on-site fabrication requires a bigger investment and thus works best for large scale builders. Small volume builders can get prefabs and handle them successfully under today's conditions.

Maenner has erected 250 prefabricated homes since switching from conventional to prefab construction in 1949. He says prefabs are better built than conventional homes of comparable price, and the builder gets the advantages of the manufacturer's research. Prefabs can be sold at prices middle-income buyers can pay, and financing is simpler, Maenner says.

Arthur Hellerman, large scale Milwaukee builder, has achieved top efficiencies in conventional building by on-site fabrication, by mass purchasing, and by using a complete range of power tools on the site. But he says the prefab makes the same efficiencies possible for the small scale builder.

Hellerman plans to erect 10 prefabs per month this year. He says they can be erected on separate lots and the crews kept on the job until the house is finished. Prefabs simplify planning, reduce payrolls and overhead. Faster construction means the builder can stay closer to his market, thus building a stronger financial structure. The prefab builder doesn't need a construction loan . . . only a finished loan. Hellerman says prefabs have fine public reception and eliminate the headaches from on-order building.

Builder B. F. Killian of Madison, Wisconsin, says that eight months ago he got rid of his office and designer and has erected 27 homes

with six men. He can build three prefabs to one conventional, and thus sell at a lower price.

Killian says prefabs eliminate fixed overhead, cut down waste and clean-up. The builder knows the cost of each operation and has the luxury of the 40-hour week.

Kenneth Hammond, builder in Hamilton, Ohio, constructs about 85 homes per year — both prefabs and conventional. He builds the conventional chiefly to keep his crews with him the year round.

By using prefabs, Hammond can schedule completions instead of starts. He says telling the buyer the exact date he will get his house is an excellent sales point. To successfully schedule completions, Hammond watches weather reports, prepares plenty of foundations in advance, and works 1½ years ahead on lots, streets, and engineering.

Hammond recommends having a small, balanced organization and a first-class bookkeeping system as a basis for successful operation.

# ALAN BROCKBANK

An exclusive interview with the man selected by the National Association of Home Builders to guide it through a year paved with a multitude of problems



Realtor-Builder Brockbank takes time from his busy schedule to relax with his wife, Gaylie, and his two children, Grover Rich and Gaylie Ann, in the family's home

It was in the early Thirties that Alan E. Brockbank built a house for his father out in Holladay, Utah. It was his first building job. Novice though he was in construction, Brockbank had a background in housing . . . and he was systematic and enterprising. He saw through a cost-eating factor right away. There was little correlation between the various trades on the job. He felt it would be a challenge to give some system to building . . . to correlate the work of the trades so that a house could be built efficiently.

Today, this soft-spoken real estate builder from Salt Lake City has done just that. He has completed some 1200 homes, a community complete with shopping district. And his ability has brought him his industry's top honor — and toughest job — president of the National Association of Home Builders.

This tall, light-haired new president of NAHB didn't plan to be a builder. All roads just led that way. When he was a boy, toting ice up and down Salt Lake City streets during the summer for an ice company, he dreamed about being an engineer. But he liked business, too, so when he went to the University of Utah he studied industrial engineering. When he left school, he got a job as a sales engineer with a utility company. "I worked principally with

builders on their model homes," says Brockbank, "and there I got my first taste of the housing business."

Young Brockbank seemed to have a knack for financing and judging value, so he became a mortgage examiner for the Regional Agricultural Credit Corporation. Then the Federal Housing Administration appointed him as an examiner and evaluator. Finally, in 1934, he got into business for himself manufacturing cinder blocks.

Brockbank is no dreamy idealist. He's a hard-working, serious-minded executive with a keen eye to detail in every phase of the housing business. Like most successful builders of homes for sale, he knows that the merchandising and building of those homes goes hand in hand. He organized a real estate and building business in 1935, then established his present company in 1940.

"I'm only a small real estate builder," Brockbank claims. He employs nine salesmen and a sales manager in his real estate and insurance departments, two people in his mortgage department, two in his lumber business, and 17 men during the winter in his building department.

Brockbank has no high-sounding theories about building homes for sale. Rather he has a simple, yet meaningful, philosophy. "A successful real estate builder today

must develop a good project, well-designed and well-engineered. He must work continuously with his sales department, keeping his salesmen cognizant of the many advantages the modern builder has put in the new type of home which are superior to those in old houses."

Brockbank's most recent project is Rose Park, a subdivision of 1,700 houses in the northwest part of Salt Lake City. Doing what many others have found nearly impossible under today's conditions, the Utah builder has produced attractive homes, laid out in a well-planned subdivision of curvilinear streets, to sell between \$8,650 to \$13,000. These homes have four rooms and between 720 and 1100 square feet of floor space. Some of the homes are constructed by three other builders Brockbank has invited to participate in the project.

There's no fluff on Brockbank's houses. He puts the stress on livability and sound construction. The features that sell his houses are up-to-date architecture and excellent workmanship. And by keeping an eagle eye out for cost-saving methods without sacrificing quality, he has been able to keep his costs down to \$10 per square foot.

"Prices on my houses have been almost stable during the past year," says Brockbank. "I've had some increases in labor, some savings in material. I think costs in

some areas may increase 5 per cent on new houses this year due to wage boosts. However, I think our prices will remain about the same because our labor contracts run for another year."

It was no mere accident that this far-seeing builder from Utah was elected to the presidency of NAHB. The association knew it would have a tough year ahead and it needed a man up to the job of leader.

Brockbank likes that sort of challenge and he's well-qualified to handle it. For years he has been working on his industry's most important campaigns. When NAHB needed most to build public relations, in the post-war days when the public was screaming about the lack of good housing, the quiet man from Utah was chosen for the job. In his own calm way, he went about organizing a public relations committee. He met with the press, with civic leaders, with association leaders on the local level. He told the straight facts, the story of the industry's record-breaking accomplishments and plans. He was quick to recognize the faults and quick to recognize what could be done to solve them.

Knowing that defense housing could not be built to government goals under the current program, Past-President Bill Atkinson asked Brockbank to take over the job last year. The Utah builder wasn't home much as it was. As NAHB's vice president he was in frequent demand for speeches; he was traveling constantly to Washington to help solve the industry's legislative problems; he was trying to spread the word of how building costs could be cut in the face of ever-increasing prices. But he ac-

cepted the job and has been working vigorously with government and industry leaders to help solve the defense and military housing bottleneck.

Defense and military housing is the number one problem facing the large and small real estate builder today, Brockbank believes. "Financing and the method used in programming have been the biggest stumbling blocks. I see some hope of these being solved. We must build this housing rapidly. The little builder in the small areas where defense housing is being allocated must invite the builders from larger cities to come in and help them get the job done quickly.

Brockbank says the industry's second biggest challenge is to save critical materials. "I think the only building materials which are sure to get worse are copper tubing and pipe. They'll be in short supply for years to come. I'm advising everyone I know in the industry to try to develop some alternate material to take care of the pipe situation."

But even with the conservation of critical building materials, Brockbank believes new houses will be "the best buy on the market," barring the use of inferior alternate materials. "Eventually, we will be developing houses of contemporary design that are so attractive to the public that the old houses will be hard to sell. We are doing a great deal of work on this particular feature right now and hope we can come up with the solution in 1952."

NAHB's new president doesn't think there's any easy, magical way to sell homes. "You must have a good product — one that you thoroughly believe in — and then you have to get down to brass tacks

and merchandise it. We use display homes and back them up with every medium of advertising — display and classified newspaper, radio, television, and direct mail, and then some good hard work on the part of our salesmen."

Will financing be a stumbling block this year? "No," says Brockbank. "More mortgage funds will be available because of the cut-down in building, personal savings increasing, and pay-offs on outstanding loans."

There are financing problems, Brockbank admits. "There are large sums of money in the hands of trust organizations which should be made available for mortgages. That would improve the yield of the trust funds and would make the base for home financing larger, which is important. It is also important that we have a more even flow of financing — not the stop-start financing — such as the government has given us in recent years. This can best be done by a study of the whole financing picture and the requirement of our present mortgage loans to fit this re-study.

"I believe mortgage financiers will be more willing to lend money and that the whole mortgage program will be improved through better design and construction, and with a closer cooperation between builder and financier."

What are his building plans for this year? That's still indefinite, Brockbank explains. He wants to devote every minute possible to solving industry problems. If there's any time left, he'll solve his own, giving his 1952 building program a cautious latitude of between one and 200 houses in the \$7,000 to \$10,000 bracket.



Brockbank gives careful attention to detail. Here he checks plans with a superintendent in front of a recently-completed house in Rose Park. He has been able to hold square foot costs to \$10



Aerial view shows part of Rose Park, Brockbank's latest project. It consists of 1700 contemporary-styled houses and a shopping center. The 4-room houses are priced between \$8,650 and \$13,000

# Your 1951 Tax Return

BY BERT V. TORNBORGH, CPA

NO income tax return is simple, but you can lighten the task if you think of your 1951 return in terms of this seven point formula . . . (1) *gross income* minus (2) *deductions from gross income* equals (3) *adjusted gross income* minus (4) *non-business expenses* equals (5) *net income* minus (6) *exemptions* equals (7) *surtax net income*.

The important thing is — do not confuse items No. 2 and 4: *deductions from gross income* and *non-business expenses*.

**GROSS INCOME.** This is your beginning point. It means all compensation for personal services, whether wages, salaries or professional fees, interest, dividends, annuities, partnership income, income from trust funds, rents, alimony, capital gains, and so forth. Yes, Christmas bonuses are taxable, too. Payments received in property are taxable at the fair market value of such property at time of receipt. Jury fees, executors' and trustees' fees, notary fees — all taxable. Most individuals being on the cash basis the income is reportable for the year in which received, not when services were rendered. Interest on bank deposits is taxable *when credited*, whether or not withdrawn, so long as available for withdrawal, and this applies equally to sums credited to shareholders of building and loan associations. In case where credits on building and loan shares are not available until maturity the excess of what is received over what was paid in is taxable then.

A member of a partnership must report his share of partnership net income (as shown on partnership form 1065), whether or not withdrawn, or he may claim his share of a loss.

Amongst realtor-builders installment sales are often common. Here you find the ratio of gross profit on the sale and apply that ratio to collections in each year of the life of the contract, the result being reportable as taxable income. A proviso is that the downpayment must be less than 30% of the contract price, and with "downpayment" is

meant all payments in the year of sale. The ratio is found this way—  
Contract Price . . . . . \$20,000  
Cost . . . . . 12,000

## Gross Profit

(40% of sale) . . . . . \$ 8,000

In case of capital asset sales the installment profit is reported as a capital gain under the provisions in effect for the year of *collection*, not year of sale.

In order to find gain or loss on sales of capital assets one must compare selling price against the *basis* of the property sold, and the difference is it. But what is "basis"? Nearly always it is cost, and that is simple enough. But if acquired before *March 1, 1913* cost would be the basis only in case of loss; if gain, the *March 1, 1913* fair market value would be the basis. If *partnership* acquires property as capital contribution from a partner it would keep the same basis as the transferring partner had. Where acquired by *gift* before *January 1, 1921*, the basis is the value when received; on or after that date it takes the basis of the giver except that a loss takes the smaller of these two: basis of giver or value at time of gift. (It isn't really complicated—much!). *Inherited* property takes as basis the value at date of death, if before *October 22, 1942*; if after, same basis or value on date used for estate tax valuation. Involuntary conversions, wash sales and transfers in trusts each have their own rules to watch out for.

**DEDUCTIONS FROM GROSS INCOME.** These, shown as item 2, are comparatively easy to define: they are those expenses that are directly related to the earning of the gross income in item 1. Travel and various business expenses are in this category. If your gross income includes income from rents you'll have, here, various property expenses to deduct, such as interest, taxes, water, repairs, and depreciation. Net operating business losses are also in this category. It used to be that net operating losses could be carried back two years and forward two years; now, a 1951 net

operating loss may be carried back to 1950 and over for five succeeding years. There is also a retroactive change buried here in that loss carry-overs may be taken for three years (instead of two) for years beginning in 1948 and 1949, and you may want to look into this refund possibility.

**ADJUSTED GROSS INCOME.** This is what you pay a tax on if you use the optional "tax tables" on the back of the return; these tables are so set as to give you automatically an allowance of about 10% in lieu of such deductions as contributions, medical expenses, and so forth. If such outlays do not exceed 10% of your adjusted gross income it would be to your advantage to claim the standard deduction by using the tables. If they do exceed 10% it would be better for you to itemize them and calculate the tax yourself.

**NON-BUSINESS EXPENSE.** In this category we have such expense items as real estate taxes on your home, sales and gasoline taxes, mortgage interest on your home, hurricane and other casualty losses, investor's expenses, medical expenses, and alimony — all deductible expenses *not* related to operation of your business.

**NET INCOME.** This is that lovely figure which you always dream of having as high as possible — except not here!

**EXEMPTIONS.** These are \$600 per dependent, except that taxpayers over 65 years of age can claim an extra \$600 and, if blind, still another \$600. (Over 65 the 5% limitation on medical expenses is also removed and they may be claimed in full.) A dependent must have had less than \$600 income during 1951, you must have furnished over half of the actual support, and he must be a relative of the sort prescribed in the law.

**SURTAX NET INCOME.** This is the figure to which you apply the surtax rates (on the instruction sheet) in order to compute your tax, unless you used the tax tables, as mentioned in the foregoing.

There is a separate schedule C on which you list your business or professional income and compute your "self-employment" social security tax if you are covered and not in an exempt profession; and schedule D is the capital asset schedule on which you list sales or exchanges of capital assets.

You get the benefit of income splitting if you file a joint return, which almost always results in a lower tax.



"For Sale" signs are good prospect-pullers, but not if they're posted haphazardly. A little extra time in locating them strategically, giving them an eye-catching appearance, and devising a short, to-the-point message, can make them one of your most effective and least expensive means of advertising

**Y**OU'VE seen them . . . you drive down the street and you spot a weatherbeaten "For Sale" sign that you can't read. Maybe the name of the realtor, or the phone number has faded. Perhaps its sitting on a freshly filled lawn in front of a new house and last week's rain has spattered it with mud. Or it might be just too far back from the street to read.

Then others leap out at you as you drive by. They are strategically located . . . the wording is short and to the point. They are attractive. They do a good job for the company.

Realtor Bill Schmale of Belleville, Illinois, uses such signs. He puts two of them on the property to catch the eye of traffic from both directions.

They tell their story quickly — "For Sale, See Schmale." He keeps his signs impeccably clean. He continually waxes or repaints them. The day a property is sold, Schmale places a "Sold by Schmale" sign on it, then puts another along side it that says, "Sorry, Too Late", or . . . "But we have other fine homes."

These sign techniques plus well-integrated advertising and sales programs netted Schmale and his two associates over \$1 million in sales during 1951 in a community of 30,000 people. None of the sales were of commercial buildings — all were of residential property that did not belong to the company. Schmale's staff consists of three salesmen including Schmale, and three stenographers. Average unit sale was \$10,000.

But signs alone do not account for all of Schmale's sales. He follows each transaction through with a clean sweep from listing to closing.

Like most realtors, Schmale tries to list every property at the right

price. To arrive at that price he and his sales manager inspect the property and appraise it using the cubic foot method. If the owner won't agree to an equitable asking price, Schmale politely turns down the listing.

Schmale believes a good listing needs a good contract. His attorney examines the listing contract each year to keep it up to date with legislation.

Immediately after a property has been listed, Schmale begins advertising. He places ads in both local papers, posts his "For Sale, See Schmale" signs, then photographs the property with a Speed graphic camera. He makes two 8 x 10-inch prints, one for mounting in a salon frame and one for display in the window.

The salon frames are mounted on three of the sales room walls which are covered with cork-back boards. Salesmen like this system of presentation because it limits the number of stops they have to make. Customers like it because they can select two or three homes they'd like to see without driving all over the city to look at 20 or 30. When the sale is made, Schmale gives the salon-framed photograph to the buyer. Schmale finds this an excellent good-will builder.

The minute a sale is made and the earnest money contract signed, the salesman starts a progress report to follow the paper work. The salesman notes on the report when the title is ordered and received, date deed is prepared, time of settlement, and so forth. This prevents losing trace of any phase of the closing transaction.

Schmale completes all sales within three to four weeks while details of the transaction are fresh in everyone's mind. This pleases the title companies and lending agencies because they like to close

the transaction as rapidly as possible.

When the sale is closed the buyer signs a settlement statement itemizing all expenses incurred in the purchase. The buyer keeps a copy, the signed copy is filed in Schmale's books for easy reference, and the third copy is kept in the transaction file. The buyer is then presented with 10 attractive change-of-address cards and a 4½ x 10-inch manilla pouch for filing his legal papers . . . all of which spreads a little more good will. Schmale urges the buyer to call him if any problems arise out of the purchase of the home.

Success of any firm, says Schmale, hinges on integrity in presenting your commodity and the manner in which details are handled. It's far better to lose a sale than to misrepresent a home.

Schmale believes attractive office furnishings are a great asset to the realtor. His office is furnished in a modern theme, and there is a private conference room for each sales person.

For general advertising, Schmale uses the local radio station and rents two large, well-located billboards. He supplements this with a large number of strategically-located 4 x 10-foot display boards which say in huge print "Schmale Sells Homes." He places these boards on incoming highways to carry his message to people coming into town who want to contact a realtor. Schmale finds these so effective that he is increasing his use of the board — and keeping his own equipment for erecting and maintaining them.

The most effective forms of advertising Schmale uses are signs placed on the property, newspaper ads, and display boards. He allows 10% of the real estate income for advertising.

# loft management can be profitable

## Part II

By HERBERT F. FINNEY, *Vice-President*  
Adams & Company Real Estate  
New York City

Should a loft manager tie up several floors of his building with long term leases? Is it a waste of time for him to consider only those tenants whose businesses are advantageous to the other tenants? Here are more valuable answers

AS I POINTED out last month, a great responsibility rests on the shoulders of a conscientious managing agent of loft buildings. He must balance his lease expirations and rents so as to meet the changing financial picture from year to year. The owner is not expected to have the pulse of a changing market . . . it is the agent who must continuously weigh the conditions and decide the policy on leases.

Many a careless or unknowing agent has tied up a number of floors in a building on long leases at low, to only fair, rents, and then sat ruefully on the sidelines while another renewal year rolled around, then found himself unable to take advantage of a better market because he was locked in with long-term leases.

Commissions resulting from the making of long leases are most appetizing. But long-term leases hold no place in proper property management if the over-all policy between owner and agent does not call for them.

Even though the rent is low, the loft building manager is strongly tempted to listen to the persuasive arguments of the broker who would like to make a 10-year lease for a very good prospect of his. Inversely, the manager is tempted to take the inferior quality tenant who is willing to pay high rent.

If the manager's judgement is swayed in either case, he will soon find that he made an error he cannot correct — he may lose his future renting market. In one case he may lose it on the altar of

strong occupancy; in the second case he may lose other tenants because of the poor quality of the high rental tenant.

Mistakes in renting policy can destroy the character and quality of a building. For example, renting a divided floor for long terms to tenants with varying expiration dates can keep the owner from getting a full floor tenant when the chance arises.

### Prime considerations

In renting and managing the better type of loft building, character and quality of occupancy is of primary consideration . . . the cautious manager thinks in terms of his tenants as well as his owner. Even though he is offered a tempting rental, the careful manager will discard the prospective tenant whose business is in conflict with those of the other tenants in favor of a character tenant whose presence will be advantageous to the other tenants. The careful manager will do this even at a lower rental.

In the days when we had vacant floors in our buildings, I thought nothing of calling up one, two, and sometimes three tenants in the building to ask them what they thought of our renting the vacant floor to "so and so." Most frequently the answer was, "Good, we're glad to have them . . . they'll improve the building . . . thanks for calling." Sometimes the answer was, "It's your building and we can't tell you to whom to rent, but we wish you wouldn't take them. They're sloppy, they undercut

prices, their product, while competitive, is very inferior, their reputation isn't good in the market." In both cases we built tenant goodwill, and when renewal time came around we found that resistance to increased rentals was minimized.

As I previously mentioned, those setting over-all policy of rental and occupancy in loft management should be thoroughly familiar with the changing economic pattern. The experienced loft manager can very closely approximate general economic conditions if he will check his tenant collections. It is surprising how close his sampling will be with other offices.

Our office keeps a close watch on the rent payment dates of the tenants occupying space in our buildings. We find that month in and month out, year in and year out, certain rents come in between the first and the fifth of the month. Others arrive between the 10th and the 15th, and so on. When we see a number of tenants moving in to the second and third periods, we try energetically to bring them back to original status. When that fails, we realize that their payments are slowing down, and we see it affect the other slower rent payment categories.

This does not mean we are ready to threaten or dispossess. It does mean that our renting managers have to use care in their timing of renewal calls and in their approach to the negotiation. This payment date information also gives our renting managers an opportunity to lend a word of encouragement to the head of the firm who feels

his business is on the downgrade.

In our office we find it most desirable to draw a distinct line between our maintenance managers and our building managers. In the chain of echelons, the building manager is the spokesman for the executives who set over-all policy. He can discuss with his tenants all problems involving his occupancy from a rental viewpoint only and does not attempt to discuss repairs, equipment replacements, air conditioning requirements except in a general way.

Those parts of the tenant's occupancy are left to the next in the chain of supervision — the maintenance manager. This man is a trained engineer with a full knowledge of the structural possibilities of the building. He orders and supervises repairs and decorations and is responsible for the physical condition of the building.

By this division of responsibility our managers are able to talk renewal rents and other business problems with our tenants without interjecting into the discussions complaints about the quality of the repairs and decorations, the costs involved in the installation of tenants' equipment, all items foreign to renewal negotiation.

#### **Important clauses**

Our business is the only part of the real estate profession where clauses, restrictive or otherwise, inserted in tenant's leases assume major importance. While building and fire department requirements offer some control, there are, nevertheless, countless conditions incident to certain types of businesses which must be covered in leases. Various types of sublet clauses to limit the choice of occupancy on the part of the tenant, specific requirements on electricity usage, limitations on weights of machines, distribution of loads, and even stipulations as to the locations of certain installations must be covered by special clauses.

Haphazard clauses, ambiguously drawn, can be interpreted differently and will only lead to controversy and lawsuits with attendant loss of time and money. These situations can be avoided if the management executive knows the characteristics of his tenants' business and protects his owner and his other tenants by including in the lease compulsory requirements to be performed by the tenant.

The standard form of lease issued by the Real Estate Board of New York is an excellent one in

the over-all picture, but it cannot be considered the panacea for all tenant violations during occupancy. Neither is it intended as all-embracing in its coverage for the owner's protection. Special clauses to supplement the standard form are often necessary, and the wise building manager should not hesitate to insert a special clause if he thinks the tenant's and landlord's rights require clarification.

#### **Loft management less complex**

Of all types of management, I am inclined to think that loft building management, when properly understood, is considerably less complex than apartment or office building management.

Loft tenants in general are business men, easily approachable, and willing to talk reasonably with the agent about his problems as well as theirs. They demand very little from the owner in the way of repairs and alterations. They thoroughly understand the costs involved in a redecoration of their premises and do not insist on it, even during renewal negotiation, if the work is not necessary and can be avoided. They demand a freshly painted clean floor when they move in and expect the toilet and washroom facilities to be in good order.

From the time they move in they know that any damages, other than those caused by wear or tear, are the result of their employees' misuse. They carry their own plate glass insurance where necessary and know that if the windows become broken, barring windstorm or unusual conditions, they are required to replace the glass at their own expense. They do not expect the landlord to install or shift partitions for them or furnish light fixtures.

They expect the building to be kept clean and to be operated smoothly. They look for good, courteous elevator service. They expect the agent to furnish adequate heat on cold days and to have the premises thoroughly warmed on Monday mornings and days after holidays.

Because most employees are union members, most employers are labor relations conscious. They recognize that the owner's problems are similar to theirs and understand that rising costs must be met by higher rentals. If they are doing well and an increase in rent is proposed, they'll meet the agent at some middle level, providing the increase isn't outrageous

and out of all proportion to fair value. If they've undergone bad seasonal conditions, they will expect the agent to understand their problem and "play ball" with them.

However, I'm not implying that there are no statutory tenants in well-operated buildings. All tenants cannot be placed in the same category. There will always be a percentage who will continue to resent the owner or the agent . . . and regardless of the profits will refuse to pay a fair increase at renewal time.

There are others who are just naturally mean to everybody and are downright belligerent. They are truculent and chronic complainers. For myself, I have come to accept them as I do the number of bleak or nasty days we must have some time during the 365 days in a year.

There's much more to say about this absorbing branch of our profession, but unfortunately, space will not allow. But I'd like to leave one important thought with you. Perhaps I am a romanticist, but I have always felt there was a living approach to loft building management.

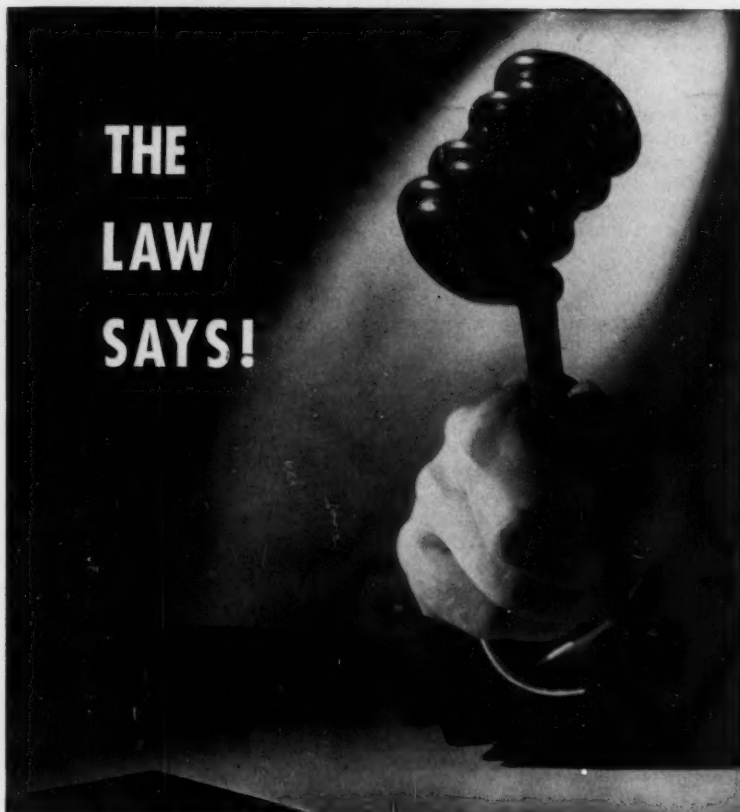
#### **Living approach to management**

Buildings are not just numbers on a street or avenue, nor are they mere masses of brick, steel, and mortar. They are the living, breathing receptacles of high hopes for the people who occupy space in them and ride their elevators.

They grow sick when they are neglected. They look dirty when they are dirty and clean when their masters will it. They have character and quality to be developed or destroyed as the loft manager may see fit. They can be buildings of mediocrity or superiority just as human beings fit those categories. Buildings are built — which means they are born. They require more care in handling while they are young and their character is being developed. They attain maturity and can remain solid, strong and virile for many, many years. Their old age can be hastened by neglect and abuse. Then they are dead and should be torn down.

But from birth and until a long time thereafter, they can be fed and nurtured until they reach maturity and they will remain mature for many, many years — in fact just as long as they are treated fairly, sensibly, and intelligently by the persons to whom they may be entrusted — the loft manager.

# THE LAW SAYS!



If a mortgagor acquires an easement after giving a mortgage, how can the buyer benefit from the easement? If a seller learns of a fraud while he can yet back out, does he waive it by going through with it? Does acceptance of a deed waive title defects? Here's timely advice

**A** LOAN Committee met to discuss a big mortgage that was in default. They were confronted with a perplexing problem. There was no alley in back of the building. The owner of the building had entered into an easement agreement with his next door neighbor, whereby the owner had acquired a four-foot areaway for ingress and egress to the rear of his building. Wasn't this alright? Wasn't it just as good as an alley? Yes, better. Then what was the problem? The easement was created subsequent to the trust deed, and therefore would not be acquired by a foreclosure of the trust deed.

But I think it would.

It was held in the case of *First National Bank vs. Smith*, 284 Mich. 579, 280 N.U. 57, that if a mortgagor acquires an easement after giving a mortgage the buyer at a foreclosure sale acquires the benefit of the easement.

**T**HE owner of a bungalow listed it for sale for \$25,000. The broker brought a number of prospects over, and in a few days he brought over a contract at \$25,000, and said the buyer was prepared to sign it as soon as the seller signed it, and so the seller signed up. The next day the broker called the seller and said that the contract was duly signed, and that he would order the title brought down to date. The truth of the matter was that the buyer had signed a contract at \$27,500, and paid a deposit of \$2,500. This deposit simplified an escrow because the buyer would deposit \$25,000, the broker would hang on to the deposit, and the secret would be his own. No eye had seen it, and no ear had heard it. But murder will out.

The next Sunday the buyer's wife wanted to go over and take another look at the bungalow to see about decorations, etc. The

By GEORGE F. ANDERSON

seller was out in front in his shorts watering the lawn. He received the buyers cordially, turned the water off and asked them in.

After inspecting the house, the buyer said, "I think I'm paying all that this property is worth." The seller assured him that he was getting a bargain. The buyer said, "Yes, I know, but \$27,500 ain't hay."

A word to the wise is sufficient.

The seller caught on, but said nothing. After the buyer was gone the seller secretly took a few more spikes in order to think clearly. He came to the conclusion that if he said anything now it would result in the buyer getting the property for \$25,000, which wouldn't do the seller any good, so he decided to close the deal and then demand from the broker not only the \$2,500, but also the \$1,250 commission.

I think that he came to a wrong conclusion. If a seller learns of a fraud before it is too late to back out, he waives it by going through with the deal. *Bartleson vs. Vanderhoff*, 96 Minn. 184 N.W. 820.

**T**HE deal involved an old mansion on Hampton Ct., Lakeview. The buyer was a well-known chef from gay Paree and he intended to use the building as a restaurant and cocktail lounge. He was backed financially by the secretary of some union who was to be a partner in the venture. It's nice to own that type of a restaurant, a hangout for your friends and yourself. C.R.E.B. Form Contract No. 670 had been signed. When it came to closing the deal, the buyer asked about an item in the Report of Title. It was a restriction against the use of the premises for any business purpose.

The seller said, "That's nothing. It doesn't mean a thing. I'll get it waived if you want to. I'm giving you a warranty deed, aren't I?" This was so reassuring that the deal was closed. The seller didn't get it waived and he couldn't get it waived. The buyer said, "I don't want the property if I can't start a restaurant there. It's no good. I wouldn't take it for a gift."

I fear he will be obliged to keep it. When you once accept a deed to the property you waive any defects to the title. If it's a warranty deed, you can sue on the warranty but a suit on the warranty is a far cry from a cocktail lounge.

## Trade Secrets

(Continued from page 27)

Palo Alto builder softens slab floors with cork covering . . . costs 60 cents per square foot installed. A Memphis builder saves \$80 on an 800-square foot house by using sleepers instead of joists.

In response to the idea of mothballing bathtubs, a Long Island builder says plumbing fixture damages are mostly due to negligence. He splits costs of damages equally among his plumbing subcontractors. Result — practically no fixture or bathroom wall damage since he inaugurated the system.

Smith, shop talk moderator, was overwhelmed in both sessions by questions about his flat roofs. His roofs have been successful not only in moderate coastal climates but also in Nevada snow country where snow loads are comparable to those in the north.

Smith builds a conventional stud wall capped with a double 2 x 4 plate. He laminates roof beams from three 2 x 8's. Beams are spaced on seven-foot centers in warm climates and four-foot centers in snow country. He notches them in under the 4 x 4 plate so beam tops are flush with plate top. Beams are supported by sliding-wedge type 2 x 8 saddles notched into the studs. The roof is built up of insulation and roofing material, which is extended past the edge of the overhang, rolled over and secured by a 1 x 2 redwood strip on the outer edge of the 2 x 8 vertical face board. No flashing metal is required.

Smith claims a saving of 20% on the overall package. He sells a 720-square foot house, with carport, storage bins, fenced and landscaped lot, and improved streets for \$6495.

Dry wall joint taping was brought up. One builder uses sand finish paint . . . covers defects and washes easily. He uses one gypsum under coat and one coat of sand finish oil base. Another builder says crews applying dry wall must be experienced. To avoid nail pop-outs, many builders use cement-coated nails spaced not more than eight inches. Studs for dry wall must be straight and hard. Another builder says, "just read the instructions with the stuff and you won't have any trouble."

Labor contracts save money for a Kansas builder. Laborers bid competitively on each job; lowest bidder gets it. Laborers get the job

done faster and make more money.

Lou Carey of Denver says he loses money as soon as a house is started so he gets it over with as soon as possible. He uses labor-saving devices. For example, he devised a door machine that mortises and mounts hinges and locks, mortises and rabbets jambs, and cuts off door ends. It processes one door and jamb in eight minutes.

Carey buys carload lots of No. 4 and No. 5 twelve-inch pine boards and upgrades it to No. 3 or better by ripping into different

widths. He obtains considerable clear wood and uses the poorer grade pieces for stripping under asbestos siding.

Carey keeps daily tab on progress by means of an elaborate production control board. One man takes it out on the job each morning and records the previous day's progress. It tells at a glance where the hold-ups are, and enables Carey to keep production a little ahead of the workers so they always have something to work toward.

**In Every Location the Real  
PRIZE-WINNING BASEMENTLESS HOMES  
Are Built With ZONOLITE  
INSULATING CONCRETE**

**Zonolite—the concrete that insulates—makes the most efficient, trouble-free and permanent ground level floor slab ever laid!**

**Zonolite Floors Are Warmer, More Comfortable...Free from Dampness**

Zonolite insulating concrete has 16 times the insulating efficiency of ordinary concrete! It blocks condensation, cuts heat loss into the ground, slashes heating costs. No wonder more and more home buyers demand low cost Zonolite insulated floors!

**Zonolite Insulated Floor Slabs Are Permanent as the Earth Itself!**

Once installed, Zonolite insulating concrete lasts the life of the building.

It cannot rot, decay or deteriorate. Build basementless homes that have better value, added comfort and economy through the years—build with Zonolite!

**Radiant Heating Is More Efficient, More Economical with Zonolite**



Zonolite prevents heat loss to the ground, gives a warm, dry floor with radiant heating. In addition, its low heat capacity does away with "heat lag" and "override," gives instant response to thermostatic controls.



**MAIL  
THIS COUPON  
RIGHT NOW!**

ZONOLITE COMPANY, Dept. NREJ-22  
135 S. La Salle Street, Chicago 3, Illinois  
Gentlemen: I'm interested in better, more efficient floors. Send me booklet CA-4 describing Zonolite vermiculite insulating concrete, right away.

Name.....

Address.....

City.....Zone.....State.....

## Product Progress

### Warp-proof Plywood

U. S. Plywood Company of New York City, has introduced a three-ply laminated wood panel consisting of outer surface plies of wood veneer flakes, and an inner core of medium sized wood chips. Flakes and chips are coated and impregnated with resin, and the three layers are then fused under heat and pressure. Novoply has both insulating and acoustical properties and can be easily worked with ordinary tools. It is warp-resistant and holds nails and screws without splitting, even near the edges, according to the manufacturer.

### Glass-lined Faucets

The Reocal Manufacturing Company of Vernon, California, has developed a new line of faucets containing 80% less copper and brass than conventional fittings. The faucets are surface type fittings — the mechanical portions are on the surface rather than built into the walls. Constructed of malleable iron and coated inside and out with glass, the faucets are reported to be competitive in price and have a lower installation cost than conventional faucets.

### Plastic Shower Heads

Reocal also has developed a plastic shower head that eliminates all the copper and brass used in the conventional head. This head is said to be as satisfactory as the original metal type.

### Low Voltage Switching

A low voltage switching system that employs a relay assembled in a plastic box instead of in a conventional steel outlet box has been announced by the Touch-Plate Manufacturing Corporation of Long Beach, California. Because of low voltage currents, this method permits the use of aluminum or steel wire, materials which are less scarce than copper. This system is said to save three pounds of copper and 15 pounds of steel in an 800-square foot house.

### Transite Soil Pipe

Transite asbestos cement soil pipe is available from the Johns-Manville Corporation of New York City for conveying sewage from house to street sewer or septic tank. Pipe and couplings can be assembled without the use of lead caulking, which is said to reduce installation costs. The pipe comes in lengths up to 10 feet and diameters of four, five, and six inches.

### Root-proof Soil Pipe

Orangeburg Manufacturing Company of Orangeburg, New York, offers a root-proof soil pipe whose major constituent is hard coal tar pitch. The new pipe has a taperwell joint that provides a smooth, continuous surface throughout the length of the pipeline. The manufacturers say the taperwell joint is leakproof and rustproof, and no cement caulking, pourings, or adapters are needed.

### Dry Plumbing Vent Pipe

Johns-Manville offers a Transite dry plumbing vent pipe. It is available in 5- or 10-foot lengths with diameters from two to four inches, and is installed with standard plumbing fixtures.

### Plastic Paint

Paramount Paint and Lacquer Company of Los Angeles offers a lacquer-base, multi-colored paint called Plextone or Zolatone. The new product has a tough surface which resists chipping and scratching. It has non-static properties which help repel grease and dust. Application of body oils, acids, dirt, and grease have little chemical effect on the material. Any paint solvent or household cleaner will remove smudges, ink, fingerprints, without damage.

### Metal Cabinet Fronts

A new line of metal cabinet fronts which eliminates the use of metal for shelves, tops, bottoms, backs, and sides has been developed by the Western Metalcraft Company of Olympia, Washington.

### Plastic Water Pipe

Plastic pipe is now available for cold and warm water lines, and low and medium pressure gas lines. Made of Tenite, the pipe has been in underground service in southern California since 1942. It is manufactured by the Carlon Manufacturing Company of Cleveland, Ohio.

### Kitchen Maid Cabinets

Kitchen Maid Corporation of Andrews, Indiana, is offering new base and wall cabinets designed to accommodate the new built-in ovens and cooking units of leading manufacturers. The company is also offering a new line of natural wood finish cabinets and a new base cabinet designed for the storage of electric food mixers and accessories.

**PREFABRICATED**

**THYER**

**GUESSWORK'S GONE**  
for builder and buyer  
when the deal is closed  
for a Pollman home!

A conventional home factory  
assembled . . . quicker turnover,  
faster construction, lower costs,  
supremely beautiful designs!

**THYER**  
MANUFACTURING CORP.  
TOLEDO, OHIO

For The Northern Market: For The Southern Market:  
2837 Wayne Street 4109 E. Pearl St.  
Toledo, Ohio Indianapolis, Mo.  
Tel. WA-5637 Tel. 2-6581

## Facing Up

(Continued from page 21)

disgrace. Mr. Prospect demands that something be done about it." This gives an air of finality to the whole business. You're on his side. The fact that you made a note about that furnace indicates that you intend to do your best to get it fixed for him. You and he are working together.

When he has cooled down — and not before — it's your turn to make comments of your own. Be sure 1) that these comments are worth making, 2) that you make them briefly and to the point, and 3) that you do so without running the slightest risk of antagonism. If you can't meet these three conditions, hold your peace.

The chances are that when he was all steamed up Mr. Prospect said a lot of things he didn't mean and a lot of things that aren't true (although he has talked himself into believing them). Your job now is to define the issue, reduce it to its true importance. Say something like this: "We're agreed, Mr. Prospect, that the house suits you — except for that furnace. Now

what you want done is —." Get him to agree to this.

Or say something like this: "You certainly have a point about that furnace. But the owner has said flatly that he won't have it fixed. Frankly, I don't like to broach the matter again because he's agreed to let that lovely living room carpet go with the house. That carpet is practically new and it cost several hundred dollars. I'm afraid he'll sell the carpet to pay for the furnace repairs."

That way of meeting objections is especially effective if Mr. Prospect is a bit on the sharp-trader side.

Of course, the best way to meet the objectionable-feature problem is to eliminate the objectionable features. Get the lawn cleaned up, the house tidy, minor repairs made. If the house is owner-occupied, many firms find it well worth while to furnish a list of suggested ways in which the owner can co-operate to assure a quick sale.

Finally, don't be guilty of *creating* objectionable features by painting an exaggerated picture of the virtues of a house. Enthusiasm is a first requisite of successful salesmanship, but don't let it carry you

away. If you present a house as being in apple-pie order in every detail, the one little detail that isn't perfect may loom up as a much bigger deficiency than it really is.

**SALE-LEASEBACK DEALS** are being worked out by insurance companies who now offer the added inducement that the gain on sale, less the 25% tax cost, gives you that much additional excess profits tax credit.

In such transactions remember that the rental term should not be over 30 years, so as not to jeopardize the deduction for the rentals.

If you sell and lease back only the land, on which you in no event get any depreciation deduction, you would ordinarily be proportionately better off, as the rentals payments on the land would add a deduction which you otherwise would not have. As to buildings when you sell you lose the depreciation deduction but get rent deduction in its place. The more nearly depreciated your building is the better the relative advantage from a sale-leaseback arrangement.

*For Sale — A Haven Among the Rockies*

## CIRCLE-C RANCH

Little Blackfoot, Montana (near Helena)

Drive through the awe-inspiring Rockies on all-weather road to 190 acres of beautiful pasture and timber land . . . ideal for all kinds of hunting and other sports. Just right for a small livestock enterprise or a dude ranch.

You'll find an ultra-modern, completely-furnished ranch house nestled next to a large lake, fed by the Little Blackfoot River running through the property. The house has a mammoth kitchen, two large bedrooms, living room, bath, patio . . . complete in every detail.

An aluminum sided barn will house eight horses, feed, vehicles. And there's another building for ranch equipment. There's even a 2000-foot runway for airplanes.

**All for only \$50,000**

*Brokers Cooperation Invited*

**Write or Call:**

**W. A. CARSON, CARSON CONSTRUCTION COMPANY**  
P.O. Box 1153, Helena, Montana Phone 3524

**CASH** Long  
or Term  
Lease  
**for hotel properties**

**IN ANY CITY**  
**COAST TO COAST**  
**CANADA OR MEXICO**

Our representative will be glad to call and work with you.

For satisfactory arrangements, utmost dependability and outstanding security **WRITE or CALL COLLECT.**

H. J. DALDIN,  
REAL ESTATE DEPARTMENT,  
3500 BOOK TOWER BUILDING,  
DETROIT 26, MICHIGAN.  
PHONE WOODWARD 2-5400

**WE ARE NOT BROKERS**  
**WE ARE HOTEL OPERATORS**

## Ingenuity

(Continued from page 25)

Most panel members agreed that there would be plenty of money to build 800,000 homes this year. Some even claimed that increased savings, new investors, and construction cut-backs (\$2 billion less in loans would be needed this year than last) will cause mortgage money to go begging by the end of '52.

And the market? That question was uppermost in builders' minds. Economist James Downs told them, "New demand is again moving into residential markets at a rate faster than supply is being created."

But some builders, noting their experience of the last few months, weren't so quick to agree. Many more were ready to say that if the product is right, it will sell. Alan Brockbank, of Salt Lake City, NAHB's new president, made this challenge: "We're going to have to build Cadillac-styled homes on Chevrolet chassis to sell at Ford prices."

Journal editors, surveying scores of delegates, found a ground swell of enthusiasm for new designs, products, construction methods. Builders seemed more aware of what people wanted. They were zealously trying to find ways to provide it at the right prices.

Builder Al Balch of Seattle, summed it up this way: "In our effort to cut costs, we must beware of the trend to tiny cracker-box houses. It won't be long until they're a drug on the market. The American public wants a house of clean styling, without useless and expensive adornments. The cheapest thing in a house is pre-planning and good architecture."

NAHB's globe-trotting president, Bill Atkinson, knowing the builders' thirst for new ideas, gave them a demonstration of his famous "Operation Trade Secret" — the hit of the convention. In a jam-packed session, some 30 of the nation's leading builders got down to brass tacks about three-way plumbing stacks, packaging materials, scheduling labor, storage walls . . . ways to save a dollar here and a dollar there without sacrificing quality. Delegates wanted more, so they thronged meeting rooms for Earl "Flattop" Smith's "Shop Talk" sessions to hear about perimeter heating with tile ducts, combination roof-ceilings, and scores of other ideas.

Delegates spent every possible minute prying into more than 250 product exhibits crammed together on three floors of the Conrad Hilton Hotel and in the Congress Hotel. They saw such products as a new

type of laminated wood paneling, combination powder bar-vanity-lavatory, plastic translucent panels which can be sawed and nailed, a window which opens from the right side and swings inward, pre-finished tile board, colorless water repellent.

Before the curtain rang down, President-Elect Brockbank issued a four-point "program of action" for 1952. He said the association will give "top priority" to the work of its defense housing committee to meet housing needs promptly in defense areas. The "trade secret" discussions will be held on the local level so that builders in all parts of the country could exchange cost-and material-saving ideas.

Home builders will be encouraged to do a better job in low rent housing construction to fight the public housing program.

Brockbank's fourth point, one of the most significant plans to come out of the convention, is an all-out effort to "weed the shysters" out of the home building business. NAHB members will issue "service policies" to families buying new homes. The policies will provide a six months' warranty for repairs and improvements after a new house has been completed and occupied. To enforce the program, local builder associations will set up "inspection committees" to sample buyer complaints and determine if they are legitimate. If they are, and the builder fails to correct them he will be subject to expulsion from the association.

## 'Round Convention Halls

(Continued from page 28)

adequate, and would not sacrifice an inch of house for more land. Most 1952 buyers will want one-story houses with attached garages, and 51% want three bedrooms. . . . It will take more than television to sell a house in 1952."

EDITH EVAN, Editor  
Living for Young Homemakers

"I believe it will be safe to say that all building materials made from copper, other than brass plated hardware, will be in short supply throughout most of the year. This will include copper tubing of all kinds and copper wire will become increasingly difficult to get as time goes on. Other materials will probably be quite generally available."

RODNEY LOCKWOOD, Builder  
Detroit, Michigan

## NATIONAL REAL ESTATE SECTION

REALTORS METAL SIGNS — Write for Free Sample, Illustrated Literature and Prices — LANCELOT STUDIOS, 246 Third Ave., Pittsburgh 22, Pa.

For Grills — Restaurants — Motels

COLUMBUS, OHIO

Willard Piper, Inc.

11 E. Gay St.

Adams 1588

SYNDICATE will take long term leases on A-1 locations in cities of 10,000 and up, or will buy retail properties subject to present leases, if any. Also complete shopping centers anywhere, EDW. MITCHELL, 276 Fifth Ave., New York City.

**Brains for Sale**  
In Convenient Form  
For Immediate & Future Use

**INDIVIDUALIZED Newspaper Ad-Clip Service**  
UNUSUAL service of bringing you brains of country's leading firms (in your own line of business) weekly, semi-monthly or monthly through their ads. You may select types of ads; particular phases that interest you. We weed out mediocre, send best from 700 leading dailies. Also furnish ads, IDEAS for special events, anniversaries, etc. Our monthly BONUS Letter full of IDEAS, sales helps. No long term obligation. 10 DAY FREE EXAMINATION.

Merchandising Division  
**NATIONAL RESEARCH BUREAU, INC.**  
N.R.B. Bldg. Chicago 10, Ill.

FOR SALE SIGNS attractive art work, write for prices and free sample, TIP TOP SIGNS, 805 Clark Road, Lansing 15, Mich.

## Training FOR

### FUTURE REAL ESTATE

Brokers, Appraisers, Managers

Investigate our Home Study and Residential courses in Real Estate. Includes all phases of the business. G. I. Approved. On-The-Job Trainees can take either course.

FREE CATALOG

Established 1936

**WEAVER SCHOOL OF REAL ESTATE**

Suite 300 Law Bldg. Kansas City, Mo.

METAL SIGNS, 14 x 20, Lots \$44 each. Realtors Sign Service, Box 1022, Greenville, S.C.

## SPECIALISTS IN PRINTING FOR REALTORS

THERMOGRAPHED BUSINESS CARDS & STATIONERY  
LISTING FORMS - CONTRACTS ETC. (STOCK & SPECIAL)  
WATERPROOFED CARDBOARD & METAL SIGNS, ETC.

SEND FOR SAMPLES AND PRICES

**Whitcomb Printing Co.**

WASHINGTONVILLE, N. Y.

PRINTERS  
THERMOGRAPHERS  
STATIONERS  
since 1922

**"PERFECT HOME MAGAZINE offers a great opportunity for building public relations,"**

**Says Realtor-Builder Harry A. Taylor**



Harry A. Taylor, president of Frank H. Taylor & Son, Inc., went into the real estate business with his father in East Orange 34 years ago. There were four employees then. There are 84 employees today in a fully departmentalized business. Mr. Taylor has built several million dollars worth of homes, subdivided hundreds of acres, built over five million dollars worth of garden apartments in one year. He owns and operates two of New Jersey's largest hotels. An active civic worker, he also served in top offices of NAREB and its institutes.

**I**T IS my belief that PERFECT HOME Magazine is one of the finest public relations instruments available to the Realtor today," says Harry A. Taylor, president of Frank H. Taylor & Son, Inc., East Orange, New Jersey.

"PERFECT HOME goes directly into the home and, from our own experience, we find that it is read from cover to cover and kept not for a month, but for years. In effect it is a library of architectural design and interior treatment of home furnishings and arrangement.

"Any Realtor who is not now utilizing PERFECT HOME Magazine for the building of public relations is missing a great opportunity. I heartily recommend it and feel confident that the Realtor who uses it will be pleased with the reception of the magazine and the results."

PERFECT HOME Magazine is a community force . . . building public relations for blue-ribbon real estate, home building, and home financing organizations in cities throughout the country.

Most families acquire but one or two homes in a lifetime. Many of them have no experience or knowledge of what real estate or home building or home financing organization with which to deal. So they ask their home-owning neighbor, or their employer, or their banker. Thus third-party influence is developed. PERFECT HOME helps to build up these zones of influence in your behalf. It becomes your regular, monthly, good-will creator in the homes of the influential people in your community.

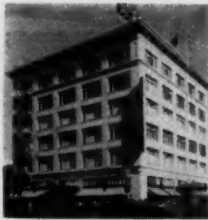
Sponsorship of PERFECT HOME is not costly. Editorial, art, and other preparation costs are spread among its users throughout America. Local reproduction and mailing costs are in turn shared among the selected reliable building factors who share in its results. Thus individual participation is nominal.

A limited number of exclusive, annual, renewable franchises for PERFECT HOME Magazine are available to organizations with high qualifications. If you are interested, address your inquiry to



**STAMATS PUBLISHING COMPANY**  
**CEDAR RAPIDS, IOWA**

**SAN DIEGO  
DOWNTOWN  
RETAIL  
LEASE**



## OPPORTUNITY

**BUILDING** 100' x 100', 6-story reinforced concrete Class A structure with basement and mezzanine. Total floor space: 81,000 square feet.

**LOCATION** NE corner of 6th and C Streets. 100% downtown central location.

**OCCUPANCY** available on long term lease approx. Jan. 1, 1953. Present occupant: Sears, Roebuck & Co.

**PARKING LOTS, BUS STOPS** just one block away.

**1951 RETAIL SALES** for San Diego County, \$750,000,000 — an isolated market.

**CONTACT** your broker or

**GUILFORD H. WHITNEY**  
1007 5th Ave. Phone: F-9-3573  
SAN DIEGO 1, CALIFORNIA

## NATIONAL REAL ESTATE SECTION



**Make \$10,000  
Yearly in Public  
Adjusting!**

No experience needed — no training needed! Big uncrowded field offers you exceptional opportunity for a brilliant, profitable future! "YOUR FUTURE IN PUBLIC ADJUSTING", a new complete course written by a prominent former Public Licensed Adjuster in N.Y. State, permits you to START AT ONCE making BIG MONEY! Send name, address with check or money-order for only \$4.95. We send your complete course immediately PLUS OUR SPECIAL FREE OFFER, "QUESTIONS AND ANSWERS ON THE N.Y. INSURANCE EXAMS", a manual worth \$2.00 alone.

**STERLING VALUE CO.**  
Dept. 1, 255-21 Northern Blvd.,  
Great Neck, N.Y.

**Cardboard** **Only**  
**SIGNS 30¢**  
**MADE TO ORDER**  
FOR EVERY PURPOSE—  
REAL ESTATE, BUSINESS,  
ETC. SIZE 14"x22" ON  
WHITE 8PLY STOCK.  
7 TO 10 DAY DELIVERY.

IN 100 LOTS  
F.O.B. CHGO.  
**METAL STAKES**  
4 1/2 FEET HIGH  
20 IN. TOP BAR  
10 TO BUNDLE  
**125¢**

**ACTIVE DISPLAY ADV.**  
1702 W. 19th ST., CHICAGO 8, ILL.



**Does the public know about the record-breaking production of housing?** Evidently not, if one sample test is any indication. Members of a service club — businessmen of above average intelligence — were asked how many houses were built in this country last year. The answers, all written on secret entries, centered around 200,000. No one came within 100,000 of the correct answer.

**Realtor-Builder Arch Madden, faithful and hard-working member** of NAREB and NAHB, was injured at the NAHB convention in Chicago last month. Studying a hydraulic pump at one of the exhibits, Arch was injured when the pump suddenly exploded. He was taken to St. Lukes hospital with fractures above and below his right knee. Told that he would have to remain in the hospital for four or five months, Arch, who was heading this year's NAREB membership drive, said, "These will be the toughest months of my life."

**Delegates to the NAHB convention missed Frank Cortright, their** energetic executive v.p. who has been confined to the hospital for the past eight weeks. For Frank, it meant missing the tenth anniversary of NAHB and its biggest convention yet. But honors were heaped on the man in his absence for helping to build NAHB to a present membership of some 27,000.

**Joe Lund, executive vice-president of R. M. Bradley and Company,** Boston, took over the reins of NAREB late last month, following the inspiring leadership of Al Summer. In his inaugural address, President Lund said the preservation of the individual's right to own and reap the benefits of the land must be the rallying point of our greatest effort.

**F. Leroy Gilbert of the Jackson-Cross Company, Philadelphia, is the** new president of the Middle Atlantic Conference of Building Owners and Managers. Gilbert is known in management circles as the author of the Gilbert Formula for allotting units of work for the cleaning of office buildings as opposed to the square foot allotment basis.

**FNMA should be revised on a permanent basis as a true secondary** mortgage market, says Louis J. Rub, New York banker and real estate instructor at New York University. "In trying to maintain the 4% veterans subsidy rate, the government has disrupted the mortgage market. On one hand it has discouraged private lending, allegedly to prevent inflation, while on the other hand it has had to take over more than 26% of the veterans' mortgages."

**Ben H. Hazen, president of the United States Savings and Loan** League says ample mortgage credit for American home buyers is "assured" in '52.

**VA's attempt to protect veterans from price gouging has also made** it impossible for many qualified, experienced builders to erect quality homes. So says B. J. Bergton, Teaneck, New Jersey, Realtor. He suggests that allowance be made in 1952 in setting of reasonable value "for contingencies which invariably occur in the development of large tracts at no fault of the builder." He says that in many cases prices of project homes were set by VA, accepted by the builders, and homes were sold below actual cost because of material delays, utility installations, land development.